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NEWS SUMMARY

GENERAL

Step up war on Smith-Zambia

As militant African nationalists raised the possibility of Cuban involvement, Zambia yesterday urged Rhodesian nationalists to step up the war against Rhodesia.

Mr. Sikele Mwahe, Zambian Foreign Minister, said Mr. Smith's rejection of British proposals for a settlement was an open invitation to the freedom fighters to intensify the war.

Black Rhodesians were urged to revolt against the Smith regime and resort to acts of sabotage to liberate themselves.

In Lusaka, the Zambian capital, nationalists claimed that Cuban military advisers were already more active in training guerrillas in Patriotic Front camps.

Mr. Ivor Richard, chairman of the failed Geneva conference, returning in southern Africa for a few days. Back Page. The military option. Page 6. Parliament. Page 14. Feature. Page 16

BUSINESS

Gilts gain ground; gold mines weaker

● **GILTS** gained ground, encouraged by interest rate trends. Rises ranged in 3 in



short-dated stocks and in medium and long. FT Government Securities Index rose 0.14 to 64.56.

● **EQUITIES** tended to fade, the FT 30-Share Index closing at 377.3, off 0.1 for a three-day loss of 9.2. South African issues were weak. Gold Mines fell 4.0 to 101.2, the lowest since September.

● **STERLING** gained 9 points to close at \$1.719. Its trade-weighted depreciation narrowed to 4.24 (42.6) per cent; dollar's narrowed to 0.97 (1.16) per cent.

● **GOLD** rose \$1.50 to \$134.125. The IMF will hold its sixth gold auction in today. Page 6.

● **WALL STREET** was up 3.15 at 963.75 near the close.

● **ANGLO-SOVIET** trade grew by nearly half last year, but the chronic imbalance in favour of the Russians increased even more sharply, partly because of U.K. purchase of Soviet oil. Page 6.

Idi has a kind word for Enoch

In an ITN interview President Amin of Uganda yesterday congratulated Mr. Enoch Powell on not wanting England to be colonised by Africa or Asia. London should be for Londoners. Scotland for the Scottish, Wales for the Welsh—and Uganda for Ugandans he said.

The Office of Population Censuses and Surveys reported yesterday that the proportion of births to mothers born overseas has shown a slight increase in recent years, rising from 11.3 per cent in 1971 to 11.9 per cent in 1975. In some cities nearly one-third of births in 1975 were to mothers born outside the U.K. In London borough of Brent it was 64 per cent.

IRA 'saw Heath as fair game'

Continuing the case for the Crown in the Balcombe Street siege trial at the Old Bailey, Mr. John Mathew, said that, interviewed by police, one of four Irishmen accused, had referred to Mr. Edward Heath, the former Prime Minister, as "fair game".

Electricity Board seeks assurances

● **CENTRAL ELECTRICITY** Generating Board has offered to order a new plant at Drax to Yorkshire in order to grant over five years from 1979, if it is assured that the equipment will be built on time and to the price and performance specified. Back Page.

Ulster setback

Government hopes that some movement in Ulster's constitutional deadlock might stem from Unionist discussions on the merit of simple administrative devolution were set back yesterday when the official Unionist Party appeared to shy away from the idea in the interest of party unity. In Belfast a soldier and a boy aged 13 were wounded when an Army patrol was attacked.

Sakharov warned

Soviet dissident Dr. Andrei Sakharov said in Moscow that he had been warned by a prosecutor that he might be brought to trial if he did not stop making statements which the authorities regarded as "hostile, slanderous, and criminal." Page 5.

Appeal lost

Mr. John Stonehouse, 51, yesterday lost his appeal against conviction last year for five attempted insurance frauds by faking death by drowning. The Court of Appeal also rejected the former MP's application for leave to appeal against a seven-year jail sentence.

Briefly . . .

Sir Max Aitken, 66, chairman of Beaverbrook Newspapers, has been advised to take a complete rest for at least six weeks.

Mr. Peter Malt, 56, is to become Britain's ambassador in Czechoslovakia.

Mr. Kenneth Robinson, chairman of London Transport, is to succeed Lord Gibson as chairman of the Arts Council.

Britain's John Conteh is to defend his world light-heavyweight title against Miguel Cuervo, Argentina, in Liverpool on March 5.

Sweden has approved OPEC's request to hold a conference in Stockholm on July 12.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated.)

RISERS:

Treasury 10½ 1978... 296 + 7
Treasury 14½ 1982... 1105 + 4
A.C.E. Mochliner... 84 + 4
Carr's Milling... 42 + 6
Dolan Packaging... 94 + 4
Dunford & Elliott... 63 + 9
F.H.C. Holdings... 77 + 4
Gold Fields Prop... 58 + 5
Haslemere Estates... 131 + 6
Norwest Holst... 84 + 4
Rush & Tomkins... 59 + 4
Samuel Props... 45 + 3
Sandeman... 139 + 7
S.E.E.T... 21 + 6
Spirax Sarco... 147 + 5
Standard Trust... 125 + 10
Sunley (B.)... 123 + 8
Whitecroft... 130 + 7
Wilkinson Match... 182 + 10

FALLS:

Assoc. Dairies... 212 - 3
Beaver Group... 28 - 4
Hawthorn Leslie... 73 - 7
Henderson-Renton... 38 - 1
Lomho... 74 - 6
M.L. Holdings... 30 - 8
Reynolds Parsons... 130 - 8
W.G.I... 50 - 5
Bishopsgate Plat... 65 - 5
Charter Cong... 228 - 10
Cons. Gold Fields... 147 - 9
De Beers Dia... 104 - 10
Elsburg... 68 - 6
Kloof Gold... 235 - 20
Libanon... 195 - 20
Pangontinental... 690 - 50
RIZ... 181 - 10
West Driefontein... E141 - 2

Cheaper borrowing as banks reduce base rates to 13%

BY MICHAEL BLANDEN

The cost of bank loans is being cut following the decision by the big banks yesterday to reduce their base rates by 1 per cent to 13 per cent.

The move came against the background of a further lowering of interest rates in the money market and expectations that there will be another cut on Friday in the Bank of England's minimum lending rate.

It is the first reduction in the cost of bank overdrafts since base rates were lifted to 14 per cent last year in the wake of the official decision to increase the minimum lending rate to its peak 15 per cent, as part of the emergency measures to bring money supply under control.

The drop of 1 per cent. will be welcome to industrial borrowers in particular, for whom the high cost of money has been a major factor holding back new investment.

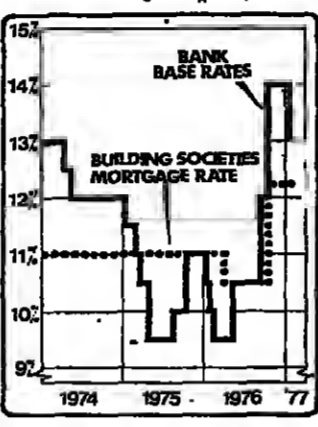
The decision will mean that the cost of overdrafts to the top-quality blue-chip industrial borrowers will come down to 14 per cent, with other bank customers paying 15-18 per cent for loans.

The banks' move will also bring considerable relief to the building societies. The drop in base rates has been accompanied by a higher reduction of 1.5 per cent to 8.5 per cent in the rate paid by the banks on their seven-day branch deposits, the most direct competition for building society funds.

As a result, pressure for further increases in mortgage rates in order to make it possible for the societies to compete for savings has now almost completely disappeared. But there is no question of any reduction of building society rates in the near future.

With the societies now offering the equivalent of 12 per cent gross to investors in ordinary shares, there competitive edge over the banks is now almost back to the point at which they believe they will see a marked upturn in the inflow of funds.

But the societies pointed out that there could still be competition from the market-related rates offered on larger bank deposits, and the inflow of funds to the movement remains very poor. Earlier estimates that there could be a net inflow of £100m. this month have now been revised downward to about £50m.



and until receipts show a large increase the building societies will not contemplate lower rates.

The extent of the fall in the banks' base rates yesterday appeared to reflect a marked acceleration of the general decline in interest rates. The Bank of England's minimum lending rate has fallen by 0.75 per cent, last Friday to 13.25 per cent, after dropping gently by 0.25 per cent stages from the peak 15 per cent.

The official view remains that the decline in rates should not go too rapidly in the immediate future, in spite of the current favourable factors. It is argued that there are still uncertainties over the U.K. economy, including the inflation rate, the problems of agreeing on the next stage of the income policy and the need to sustain high sales of gilt-edged stocks to finance the Government's borrowing requirements in the next financial year.

However, at present the authorities seem prepared to allow a rather sharper fall in rates at a time when the pound is showing continued strength.

The general level of short-term money market rates fell again yesterday, and the rates on Treasury bills were at levels which if maintained at Friday's official bill tender would bring a further cut of at least 0.5 per cent to 3MR.

The downturn was encouraged

Continued on Back Page

Few back worker directors by law

BY RHYS DAVID

THE PRINCIPLE of worker directors on the Boards of large companies enjoys broad support from the majority of employees in industry. But there is firm opposition to use of the law to impose such a system.

These are two of the main findings of a survey by the Market Research Society.

The Bullock Committee report on industrial democracy is to be published to-day.

Opinion among employees is firmly for election of worker directors by all employees, and out as the Bullock Committee will recommend, through the trade unions.

Only 2 per cent of all working adults interviewed and only 3 per cent of those belonging to unions are in favour of union nomination; with 5 per cent for election by unions and 59 per cent for election of representatives by ballot of all workers.

Half knew

The survey, of a quota sample of 743 adult workers on January 18 and 19, found that half those interviewed knew the Government was considering legislation in industrial democracy.

About 54 per cent of all working adults thought it a good idea; 32 per cent, disagreed and 14 per cent, did not know.

Support was slightly greater by men than women. Among trade unionists 63 per cent were for, some 25 per cent of trade unionist were against, and 12 per cent, don't-know.

On implementation, there was wide support for leaving it to business, only a minority of trade unionists advocating introduction by law.

Altogether 82 per cent interviewed were for voluntary measures, and 18 per cent for the law. While 18 per cent of trade unionists wanted legal measures, 79 per cent would leave it voluntary.

This evident support for a voluntary approach is in line with the minority report by three members of the committee, Sir Jack Callard, chairman of British Home Stores; Mr. Barrie Heath, chairman of GKN; and Mr. Norman Biggs, chairman of William and Glyn's.

In the report of the majority, headed by Lord Bullock, Master of St. Catherine's College, Oxford, a formal system is outlined for moving toward worker representation.

Unions seeking representation would first have to gain the support of at least half the labour force in a secret ballot before any move could be made. The unions would then be left to decide how to choose their directors for the Board, which under the Bullock proposals would have an equal number of

Jobless total at peak of 1.34m.

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

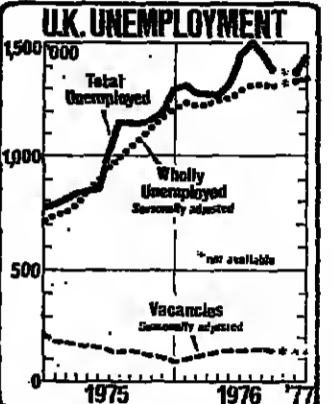
ADULT unemployment in the U.K. has risen by nearly 40,000 in the last three months to 1.34m., seasonally adjusted. This is a new post-war peak and Mr. James Callaghan, the Prime Minister, warned in the Commons yesterday that no improvement could be expected for some time.

The possible threat this could pose to the forthcoming talks on the next stage of the pay policy was spelled out yesterday by Mr. Ken Murray, the TUC General Secretary, who said that the General Council will be insisting that an explicit target for a reduction in unemployment must be made part of any new deal with the Government.

Trade union leaders have recently been saying that action on both unemployment and prices must be an essential part of any stage three agreement. Initial talks with the Treasury are due to start next Tuesday.

Mr. Murray said that the TUC had been hoping that some progress would have been made by this stage towards a cut in unemployment. But Mr. Callaghan commented in the Commons at question time that while "the latest figures should not be tolerated, I do not think it is possible they will be reduced for some time, as long as we are trying to squeeze inflation out of the economy."

The latest jobless figures, announced yesterday by the Department of Employment, represent the first full count since last October, because of an industrial dispute within the Department. While this dispute is now over, it has not been possible this month to produce the figures for vacancies or for the flow on and off the register.



projected rise during the next 12 months.

Forecasters outside Whitehall have in the main been estimating a rise to between 1.5m. and 1.7m. in the adult seasonally adjusted total by the end of 1977. Some industrial bodies, such as the London Business School, warned that there is little prospect of much improvement for the rest of the decade.

A lot will depend on the pressures for work-sharing and other attempts to restrict productivity growth.

One problem in the pay negotiations will be how to reconcile the desire for lower unemployment with the proclaimed objective of the industrial strategy, repeated by Sir Healey, the Chancellor, last week, of improving the use of existing resources, including manpower.

The longer-term problem is aggravated by the fact that the number of people available for work is increasing by about 12,000 a month, including both married women and school leavers.

In the shorter-term about 80 per cent of the 200,000 school leavers on the register last August have now left it. But the number of jobless school leavers has remained at just under 51,000 in the last month because of the offsetting effect of new school leavers in Scotland.

The adult unemployment total in Scotland has also shown the sharpest recent rise—accounting for a quarter of the national increase since October. This is in contrast to the last two years

Editorial Comment Page 16

Appeals for calm after violence in Spain

BY ROGER MATTHEWS

THE SPANISH Government yesterday after being hit by a police smoke bomb fired at close range during a demonstration. Opposition leaders and Left-wing trade union organisations all appealed for calm today, after 48 hours of political violence in which six people were killed, more than 20 injured and an army general kidnapped.

The main illegal labour unions, which warned that the extreme Right was trying to bring about a military coup, backed the widespread protest strikes which hit the industrial sector to-day, and called for further action to-morrow. But they urged workers to keep off the streets and not take part in demonstrations.

Four labour lawyers, all members of the Communist Party, died as a result of an attack late last night by two gunmen who burst into their Madrid offices and sprayed them with bullets. Another four are critically ill, and a fifth is said to be recovering.

The lawyers were attached to unions of the country's principal unions, the Communist-dominated Workers' Commissions.

All three Madrid universities were closed to-day in mourning for the girl student who died

made over a longer period.

The group repeated its conditions for the release of its two prisoners: that the Government should make a public promise to release all its political prisoners, and immediately release 15 named prisoners.

Some army generals have expressed their indignation, at the latest kidnapping, but have publicly maintained support for the policies of the Government.

Unions seeking representation would first have to gain the support of at least half the labour force in a secret ballot before any move could be made. The unions would then be left to decide how to choose their directors for the Board, which under the Bullock proposals would have an equal number of

MADRID, Jan. 25.

Continued on Back Page

British Rail pension funds may bid for investment trust

BY CHRISTOPHER HILL

THE British Rail pension funds are planning a £30m. bid for Standard Investment Trust, a member of the Touche Renmant group.

This is the first important bid by a pension fund for an investment trust and is the largest bid for any investment trust since the takeover of Metropolitan Trust by Guardian Royal Exchange in 1973.

Behind the bid lies the funds' desire for a substantial investment in equities at a time when, according to many investment managers, there is a relative shortage of stock in the U.K. market suitable for institutional investors.

The funds have an annual net cash inflow of £150m. a year and on the basis of Standard's known investments, they like the portfolio spread including the relative absence of unquoted holdings. All the same, the funds have reserved the right not to proceed with the offer if, among

other points, the composition and quality of the portfolio proves to be unsatisfactory.

For the shareholders of Standard the attraction would be an immediate profit on recent market value and the near elimination of the 25 per cent discount on asset value that has prevailed in recent share quotations for Standard.

The terms of the offer are based on an estimate of net asset value per share of Standard as at the end of 1976, amounting to 130p in cash for each 25p Standard share. This represents a 28 per cent increase over the middle market quotation of 103½p per share for Standard at the year end and is a discount of only 5 per cent on the estimated net asset value.

Simultaneous offers are to be made for the cumulative preference stock at 67p per £1 nominal. The proposed payments for the four classes of debenture stock are also at below nominal value

but above year-end market prices.

The offer for the ordinary shares is net of the prior charges, the contingent liability and the agreement of investment currency. The Funds are seeking discussions with Standard on the bid terms.

Hill Samuel is acting for BRPF while Standard, headed by Lord Remont of Touche Renmant, is represented by J. Henry Schroder Wagg. The directors of Standard are meeting to-day and are expected to make an announcement on the offer.

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Elizabeth Hall

Brendel

by DOMINIC GILL

Admirers of Brendel—or I could say rather fans or aficionados, for no one can fail to admire Brendel's extraordinary quality—rank him as a shrewd interpreter with the wit of Schnabel, Serkin, Chaus, Solomon. There was time, when Brendel was younger, and when we knew his shrewdness chiefly through his early recordings for Vox, when he was a "Tyrannical" (said) when I was inclined to see, listening again to some of those early discs, one is appalled as ever by the fire and authority of the playing—brilliantly clear and cogent, his music is called for, hard granite, and a curious, almost, to its gentler pages, shot through with the most delicate intimate poetry.

Then there was a period when was no longer so sure. A kind blindness, and a curious, almost, to its gentler pages, shot through with the most delicate intimate poetry.

In the slow movement—the *largo e mesto*—of the D major sonata especially he was at his most eloquent, rounding the music with marvellous simplicity and clarity; in the finale too, done with unexpected (here nothing was predictable) explosive passion, tempered with a great deal of very human. The Waldstein was magnificent: the first movement knife-sharp, every note and gesture perfectly balanced; the adagio rapt and calm; the rondo melody stretched to a shimmering glittering sea-swell. (Why do so few pianists these days play real octave glissandi in the final pages: is it just that on a modern piano, with its heavier action, an octave glissando actually hurts the fingers?)

By its very choice of works Brendel's fourth programme scaled none of the later, greater sonata heights. But his forthright treatment of the little G minor sonata, op. 79, and the E major op. 14 No. 1—both performances of the greatest force and economy—was entirely compelling on its own terms.

Wah merst ah be ye er teenager in lerv? was the query posed repeatedly by a Friday group from Glasgow when they appeared on last Friday's *Crockerjack*, a children's programme on BBC1. The complete programme on BBC1, which introduced them as "three young sisters and their auntie," and great bulk of American material consisted of the familiar series of a rather poor imitation (including accent) of the 1959 million-selling American recording "Teenage in Love" by Dion and The Belmonts.

It could perhaps be argued—plenty of people have certainly tried—that it is in such small hits of evidence as this that we find proof that a diverse British culture, traditionally rich in regional dialects and accents, folklore and legend, song and story, is being eradicated by overwhelming waves of North American culture, most of them transmitted via television.

Memory suggests that there was even more worry about American dominance in the 'fifties and 'sixties than in the present decade: outrage was caused by American comics, sweets, films, music, and, when British commercial television started, quiz shows.

You hear much less outrage now and yet the American programmes are still there as I have confirmed thoroughly during the past week. Having decided to keep a special eye on them I was somewhat startled to discover that if you plan carefully, you can manage a diet composed almost exclusively of American fare.

If you consider the hours when most people are free to watch television assuming they wish to, the hours from about 6.30 or 7 o'clock until close-down some time between 11.45 and 12.30, you discover (judging from the past week, which is presumably not unrepresentative) that BBC1 transmits about 24 per cent American material, BBC 2 25 per cent, and ITV no less than 85 per cent—in the London area, anyway, and the proportions do not differ very much in other regions.

The American programmes range from *The Wonderful World of Disney* on BBC 1 to a drama documentary called *The*



David Collier's costume designs—mourning robes, military attendant and Chalciduchim—for the new English National Opera production of Ian Hamilton's "The Royal Hunt of the Sun" which will have its world premiere at the Coliseum on Wednesday, February 2. The conductor is David Lloyd-Jones and the producer Colin Graham

Television

American imports

by CHRIS DUNKLEY

Disappearance of Aimee on BBC 2, and they include a number of old movies. In fact the best American programme of the week was a 1948 film called *Shadow of a Doubt* on BBC 2—which might count as semi-British, having been directed by Alfred Hitchcock. However, the great bulk of American material consists of the familiar series of a rather poor imitation (including accent) of the 1959 million-selling American recording "Teenage in Love" by Dion and The Belmonts.

A week spent watching them and virtually nothing else is (I suspect) not incommensurable with a week spent living on Coca Cola: the initial fizz of each new serving rapidly becomes monotonous, the complete absence of subtlety dulls the palate for folklore and legend, song and story, is being eradicated by overwhelming waves of North American culture, most of them transmitted via television.

No doubt it is invidious to generalise, and yet the similarities among so many of these programmes are so marked that it would be perverse not to. So, by a while they are very concerned with the physical and the material and generally unconcerned with the intellectual and the moral. There is some preoccupation with the analysis of human relationships, but in a way that is more psychiatric rather than ethical standpoint.

I watched in something approaching incredulity as the three series of the week all came up with plots involving the failure of a father to live up to the expectations of a son: in *Six Million Dollar Man* (ITV) the son was confined to a wheelchair after an accident which depriving it of exercise, and *Number 10* (ITV) the "baby faced killer" tried to buy Paw's love and respect with stolen money (throwing it back at him); and in *Kojak* the kidnapper's son was rushed to the church where the hostages were held and the dialogue went:

"Louis son I is yo father."
"Was yo my father when I said could we maybe go to a ballgame?"
"So on."
Nor were these three on the trot the only programmes where the parent/child relationship was emphasised: *The Disappearance of Aimee* was one of the week's

better American exports, being a dramatised account of the 1928 trial of the Los Angeles evangelist Aimee Semple McPherson. Five Danaway tried desperately, but unsuccessfully to suggest the charismatic power which Aimee must have possessed by repeatedly opening her eyes so wide that the irises were completely surrounded by white. She was acted off the screen by Bette Davis, playing the over-fond, over-doting, over-bearing Mama.

Even in ITV's "Wednesday Thriller," *The Secret Night Caller*, which was about a seemingly respectable middle aged housewife who makes making obscene anonymous telephone calls to young girls (really) it transpired that his father, a fine upstanding judge, had shot himself.

Yet however much Freud, Jung and Adler (not to mention the American magazine *Psychology Today*) may have to answer for, the typical American export is still an outdoor action series shot

one might ask: "If there is a demand for filmed outdoor action programmes, and America can supply them, why not simply buy them, rather than higher British budgets for home-grown quality products — why should not British companies exploit this source?"

And the answer from many people has been in the terms mentioned at the start of this article: that because of television's enormous popularity, such a policy could mean the eventual smothering of that diverse British culture.

It is true that American programmes are full of ungraceful and even incomprehensible "English," such as "Ah doan need knee mo yo sass" (I do not need any more of your sass) and "Fifty one inject five cc of BVD in EPT an' inbulate keep on with the TIC and send us an EMD ten four." There is much of this, but has anyone in Britain really started copying?

There is little, if any, evidence to suggest that even concentrated viewing of this kind leads to imitation by the viewer — linguistic or otherwise — any more than the frequent reading of Agatha Christie mysteries or Zane Grey Westerns leads to frequent murders by readers.

A search of the major research published in the past ten years or so in America and Britain on possible causal connections between TV viewing and human behaviour suggests, very strongly, that television's effect is commonly one of reinforcement: the pacifist watching violence on television will have his attitudes strengthened; those inclining to violence will have their inclinations reinforced. The moralist looking for corrupting material will find it — and remain uncorrupted. The juvenile delinquent will tend to search out programmes about crime, and will feel his delinquent views have received support. Those believing in the ultimate good of humanity will find this confirmed repeatedly on television.

Yet what of that *Crockerjack* group trotting out that awful imitation? There cannot, surely, be anyone who seriously supposes that when they meet their friends outside the Saatchi and Street disco they actually ask one another "Wah merst ah be ye er teenager in lerv?"

The Entertainment Guide is on Page 4

appeared in the United Kingdom. EMI hopes to arrange a British concert tour for this orchestra which consists predominantly of Iranian musicians and which was formed four years ago.

The contract was recently signed in Tehran between Peter Andry, director and general manager of EMI's International Classical Division, and the director of the orchestra, Seherzade Afshar, who is the wife of the director-general of the National Iranian Radio and TV Service.

The Afshars have visited this country as guests of the Queen Mother and are very well known in cultural circles here through their European tours but has not yet

Round House

Flowers

by B. A. YOUNG

Lindsay Kemp's *Flowers* isn't did turn into ogres a moment later and massacre a harmless abbé—but on the whole I find the work common and empty. Mr. Kemp, whom I know to be a good actor and who may be a know, traits through his scenes so languidly that one longs for the inevitable end before he is half-way through, for no tension results from their slowness. He allows himself a single line of dialogue ("Bring me a pot of your finest China tea, my man") which must have special significance for him, for he has stuck firmly to it ever since I first saw *Flowers* in Edinburgh some ten years ago, though it triggers no special affect.

Mr. Kemp has his fans, however, always ready to applaud even ordinary routines as if they were something unique. I suppose they are mostly too young to remember not dissimilar work from the post-war drag companies like *Soldiers in Skirts*, who might possibly have done the three cabaret dancers rather better.

St. John's, Smith Square

Edward Cowie

by PAUL GRIFFITHS

The composer Edward Cowie, born in 1943, has perhaps made most stir so far with his orchestral piece *Levitation*, which was played at the 1975 Proms. That piece I have not heard, but I have been impressed by several of his works on a smaller canvas—not an inappropriate word for music which shows a painterly feel for light and shade, shape and colour. Cowie is in fact a painter as well as a composer, and from what I have seen of his pictures, they closely resemble his music in feeling. In both arts his principal subject is nature, particularly the landscape and bird life of Lancashire, where he now has his home.

Four new musical essays in nature study by him were introduced at Monday's concert by the BBC Singers under John Poole. The four are evocations of places in Lancashire, each set in a different season, and each in homage to Goethe, whose biological writings Cowie admits as an influence. Tippett should perhaps be cited as another, since he is the work's dedicatee. It would be misleading to suggest that there is any similarity in style between the two composers; nor, indeed, does Cowie owe anything to an earlier English pastoral school.

The closest parallel is rather with Messiaen and, as one might expect in a work for unaccompanied voices, in particular with that composer's choral *Chaque résonance*. Cowie shares Messiaen's interest in bird song, his desire to transcribe the features of a natural habitat and, on occasion, his rhythmic and modal preferences. In general, however, Cowie's music is in 21st century, more rarefied. The difference may merely be that between the Lancashire moors and the Loire valley, but it is enough to guarantee him individuality.

Greenwich, which also exists in an earlier version for chorus with instruments, shows that individuality well. It would be pointless for me to translate into prose the natural sights and sounds which Cowie describes so well in tone, word and vocal gesture, and in the little sketches which adorn his scores; it is enough to note that these four musical watercolours are pretty and coolly engaging. They are, however, no more than delicate impressions, and for anything stronger, one must await the piano concerto and the opera on which Cowie is now working.

Before *Greenwich* the BBC Singers gave stirring accounts of Brahms's *Three Motets Op. 110* and a generously shaped performance of Tallis's *Lamentations*. The concert was recorded for future broadcast.

Iranian orchestra signs with EMI

appeared in the United Kingdom. EMI hopes to arrange a British concert tour for this orchestra which consists predominantly of Iranian musicians and which was formed four years ago.

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The Afshars have visited this country as guests of the Queen Mother and are very well known in cultural circles here through their European tours but has not yet

Event Garden

Swan Lake

by CLEMENT CRISP

For Vergie Derman and Wayne Siefried, the radiant assurance of her dancing was matched by Mr. Egging at every moment. His was a true bravura display: prodigies of technique (and a very well arranged solo) were tossed off with such easy stylisation, and such polish, that he demanded comparison with the finest interpreters of our time. It is dancing distinguished at every moment by a feeling of complete authority—and the revised structure of the coda, in which Mr. Egging's beautifully swish channels frequently, you can manage a diet composed almost exclusively of American fare.

If you consider the hours when most people are free to watch television assuming they wish to, the hours from about 6.30 or 7 o'clock until close-down some time between 11.45 and 12.30, you discover (judging from the past week, which is presumably not unrepresentative) that BBC1 transmits about 24 per cent American material, BBC 2 25 per cent, and ITV no less than 85 per cent—in the London area, anyway, and the proportions do not differ very much in other regions.

The American programmes range from *The Wonderful World of Disney* on BBC 1 to a drama documentary called *The*

Radio 3

Beaux Arts Trio

In Monday's lunchtime re-broadcast live from St. John's, the Beaux Arts Trio, to provide a reminder of its cold Beethoven series a sonata with a performance of the E flat Trio, Op. 70, No. 2. Expecting from this perfect trio — sensitive in balance of parts, polished in the timing of each gesture, autifully mellow in tone, this work at once surging and concentrated, with the rampantly infectious good humour of the finale and an air of Haydnesque beneficence about the whole, the corporate excellence seemed finally too civilised, too discreet to reflect the fullness of the music.

The first work of the recital had been the Shostakovich E minor Piano Trio, Op. 67. One might have expected the same tactful qualities about the ensemble, to diminish the black humour of the music. Yet, from the frozen lyricism of the opening, the effect was one of accumulating tension, contained until the final "dance of death." Here the players, notably violinist Isidore Cohen, permitted themselves a vivacious performance that made the work all the more moving. Death has seldom appeared a whither or darker obsession of Shostakovich's than in this trio, or in this performance.

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English Topography
An exhibition until February 12th of original prints and maps from the 16th to the 19th century. The well illustrated catalogue with 1,500 items includes atlases and illustrated books, town plans and views, county maps, sea charts and road-maps, monographs and social scenes, and views of country houses. Catalogue sent on request £1.



Kojak (Telly Savalas)

SAVE Exhibition on Railway Architecture

Save Britain's Heritage has organised an exhibition of the RIBA Drawings Collection, 21 Portman Square—Off the rails: Saving railway Architecture—until March 11.

The purpose of this exhibition is to make people angry. Britain invented the railway, pioneered its application to passenger travel and built the most extensive network of lines anywhere in the world. Yet this unparalleled legacy of stations, hotels, train sheds, bridges, viaducts and signal boxes is being steadily dissipated. Like after line has been axed, and hundreds of buildings have been left to fall into decay inviting vandalism. Of the 3,539 stations closed since the Beeching Report of 1963, only 1,570 have been subsequently sold.

Happy and Glorious, the National Portrait Gallery's contribution to the celebrations of Queen Elizabeth II's Silver Jubilee, is subtitled "130 Years of Royal Photographs." It serves both as a history of the monarchy from the accession of Queen Victoria in 1837 to the present day, and as a history of photography over the same period. *Happy and Glorious* begins with formal, sepia-coloured studio portraits of Victoria and her Consort, Prince Albert, progresses through casual family snapshots and candid newspaper photographs, and arrives at the sophisticated and intimate colour pictures of today. Film and television bring it right up to date.

The exhibition opens on March 18 and lasts until October 2 and is open on all days of the week (Monday-Friday, 10.00 a.m.-5.00 p.m., Saturday 10.00 a.m.-6.00 p.m., Sunday 2.00-6.00 p.m.).

Royal photographs at the National Portrait Gallery

Abandonment, maltreatment and Re-use. Do show are many objects connected with railway history and a working model railway with scale models of railway buildings.

SAVE has published a 64-page illustrated book called *Off the Rails*. It consists of essays on the fate of railway buildings, with an introduction by Simon Jenkins, editor of the *Evening Standard*, and contributions from David Lloyd (expert on railway architecture), Oliver Barratt (secretary of the Cockerham Association, Edinburgh's Civic Trust), and Douglas Hague (expert on Welsh architecture).

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Bottom of the league

IRELAND'S ECONOMY
BY GILES MERRITT IN DUBLIN
IRELAND'S ECONOMY has the doubtful distinction of being the worst in Europe...



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Sweden may be host to OPEC in July
BY WILLIAM DULFORCE
STOCKHOLM, Jan. 25.
THE NEXT meeting of oil price current spending level, and means that Sweden will continue to maintain a defence considered capable of deterring an attack by a major power using conventional weapons...

N. Sea oil rig rates fall
BY FAY GJESTER
OSLO, Jan. 25.
THE OVERSUPPLY of oil rigs of these were used in on-site and offshore vessels of all kinds construction work in the North Sea led to a marked fall in rates last year...

Handwritten text in Arabic script: محمد من الاحول

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EUROPEAN NEWS

Mondale seeks boost from Schmidt for world economy

By ADRIAN DICKS

WALTER MONDALE, the U.S. Vice-President, today urged new measures to stimulate the international economy on the west German Government...

Change likely in Turkish overseas debt structure

By METIN MUNIR

ANKARA, Jan. 25. KEY IS planning a major change in its foreign debt structure with the aim of switching to short term to medium term...

Strauss may quit Bonn

By OUR OWN CORRESPONDENT

BONN, Jan. 25. HERR FRANZ-JOSEF STRAUSS has an abortive attempt to form a fourth national party group in the Bundestag last autumn...

Sakharov warned by prosecutor

By David Satter

MOSCOW, Jan. 25. DISSIDENT leader Dr. Andrei Sakharov said that he was officially warned today by a Soviet public prosecutor...

The Nobel Peace Prize winner told a Press conference at his apartment that he was warned by Soviet Deputy Procurator-General Sergei Gusev...

Dr. Sakharov said that he told Mr. Gusev that he did not consider his activities to be illegal, and that he would continue in deal with specific cases in abuses of human rights...

In the past week, two men with dissident connections were interrogated in connection with the metro blast.

Giscard and Saudis fail to agree on Middle East settlement issue

By ROBERT MAUTHNER

PARIS, Jan. 25. FRANCE and Saudi Arabia failed to reach complete agreement on the nature of an eventual Middle East settlement...

Important differences between the views of the two countries on this subject were clearly underlined in the final joint communiqué published this morning...

Andreotti urges pay curbs

By DOMINICK J. COYLE

ROME, Jan. 25. ITALY'S rising labour costs must be cut, whatever the cost, the Prime Minister's intervention, made in a six-page article in an Italian newspaper...

It is understood that the Saudis took a particularly tough stand on Jerusalem, for which the French would be prepared to envisage some kind of international solution...

The Saudis, however, adopted a significantly different position. In a separate paragraph of the communiqué, they stressed specifically that the occupied territories from which Israel must withdraw include Jerusalem...

Employers and unions are expected to produce a compromise settlement without major changes to Italy's present highly inflationary pattern of general wage indexation...

Dutch unions plan series of strikes

By MICHAEL VAN OS

AMSTERDAM, Jan. 25. HOLLAND'S two largest central union organisations will begin a programme of selective industrial action within the next two weeks...

This follows the break-down of the Dutch Central Wage Accord for 1977 and separate negotiations in both the various national industries and large private companies...

However, the unions consider automatic price compensation an acquired right introduced in Holland generally at the beginning of the 1970s...

Makarios warns of long struggle

By OUR OWN CORRESPONDENT

NICOSIA, Jan. 25. ARCHBISHOP MAKARIOS, the embank on a "long struggle for the restoration of their violated rights"...

The aircraft manoeuvre. How a new use for old skills contributed \$113 million to Cooper Industries' 1975 revenues.

Cooper Industries turned 11 years of experience with jet-powered compressors into an aircraft service diversification. It now accounts for over 24 percent of our sales.

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By moving into aircraft services, Cooper Industries got the benefits of diversification without all the usual risks of going into a totally unfamiliar business.

We spotted an opening Before getting into the business, we knew that there was a need for a strong, medium-sized service organization — positioned between the huge engine shops operated by the major airlines and the small independent shops usually too small to do a good job on jets.

We built our aircraft operation, Cooper Air-motive, to fit into that slot. And it's given us competitive advantages against both the airlines and the smaller outfits.

We're big enough to have equipment, inventory, and engineering talent that smaller shops often can't afford.

But we're small enough to deliver VIP attention to our corporate and airline customers. The kind of attention they might not find in bigger shops.

Cooper Air-motive climbing We've found a lot of business in this niche between "too big" and "too small." In 1975, Cooper Air-motive contributed \$113 million to the revenues of Cooper Industries, 24 percent of the total.

Today, Cooper Industries is the world's largest servicer of corporate jets, a rapidly growing market. But our fortunes aren't limited to the corporate jet market. More than 60 percent of our business comes from the airline, government, and industrial markets.

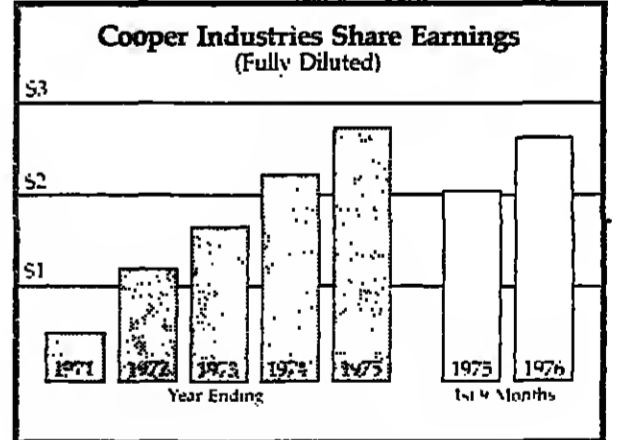
Diversifying our diversification The jet engine experience of our energy divisions gave us a foothold in aircraft services. But we haven't stopped there. Using engine maintenance as a base, we're building a much broader aircraft service business.

In addition to engine work, we now install instrument and control systems, repair and modify structural parts, and install custom interiors in corporate jets. And Cooper Air-motive has become a distributor for dozens of leading lines of aircraft parts and supplies.

This story is continued in our annual report Our aircraft strategy is only part of a concrete, pragmatic growth plan that has quadrupled

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Cooper Industries, Inc. THE NON-GLOMERATE. Diversification can be good for a company. Sticking to what you know best can be even better. By moving into the aircraft servicing business, Cooper Industries managed the best of both worlds.

WORLD TRADE NEWS

Oil purchases raise U.K. deficit on Soviet trade

BY DAVID SATTER

THE VOLUME of Anglo-Soviet trade rose by almost half during 1976 but the chronic imbalance in favour of the Soviet Union was even more rapidly as a result of significant British purchases of Soviet oil and an increase in such traditional U.K. exports as wood, diamonds and...

other categories the figure for U.K. exports was the highest since 1968 at least. The U.K. deficit on trade with the Soviet Union for 1976 was £226m, more than double the £201m trade deficit registered last year. Commercial sources said that the rapid growth in Anglo-Soviet trade, which has increased in value more than three and a half times since 1968, is related to the general expansion of Soviet foreign trade since the late 1960s. The sharp rise in British imports this year, however, is due to a rise in the demand for raw materials due to the West's economic recovery.

Expanded imports, however, have not been offset in the figures by sizeable advances in exports. This in part is because there were no major exports contracts signed in 1976, the first year of the £950m Anglo-Soviet export credit agreement. The £100m gas compressor contract signed in December by the COBERROW consortium will not begin to affect British export figures until the second half of 1977.

\$1.36bn. investment in Brazil aluminium

TOKYO, Jan. 25.

NIPPON Amazon Aluminium (NALCO) has been set up by 32 major Japanese companies to channel investment for \$1.36bn. Brazilian-Japanese aluminium production project in the Amazon area. NALCO will be capitalised at \$531m. initially, to be increased eventually to \$965m.

The association said the semi-official Overseas Economic Co-operation Fund and other Governmental finance agencies will also provide financial support. Nippon Lishi Metal and Mitsui Aluminium will offer technical co-operation for the project. Japanese companies involved include three other aluminium refiners—Shōwa Denko KK, Sumitomo Chemical and Mitsubishi Motor, Matsushita Electric Industrial, Ishikawajima-Harima Heavy Industries, C. Itoh and Nippon Steel.

MIDDLE EAST TRADE

Japan gives priority to Iraq

BY CHARLES SMITH

TOKYO, Jan. 24.

JAPAN IS giving top priority to Iraq in its policy of promoting economic ties with the Middle East, despite the fact the bulk of its oil imports continue to come from Saudi Arabia and Iran. This fact was underlined during a six-day visit to Tokyo by Iraq's Vice-President, Mr. Taha Muhiiddin Marouf, which ended today.

During Mr. Marouf's stay an agreement was signed for the extension of a further \$150m worth of low interest rate credits to Iraq (an initial \$10m was made available two years ago). The credit is most probably in connection with an LPG gas plant which the Mitsubishi Group is hoping to supply. Iraq is not bound under its agreement with Japan to place orders for the LPG plant or any other major plant with Japan, but it specifies that the Iraqis will hold open international tenders and draw on the Japanese credits if and only if they decide to buy from Japan.

Japan singled out Iraq as a Middle East country worth cultivating in the immediate aftermath of the oil crisis when it was hurriedly attempting to counter a foreign policy towards the region. As the Japanese see it, Iraq has at least four major attractions to them. It is a populous nation as well as a major oil producer and thus possesses a labour force and market large enough to make industrialisation possible. A further point about Iraq which appeals to Japan is that the Ba'ath regime's policy for investment by outsiders but only for straightforward purchases of equipment. Japan would rather supply plant and invest funds in what may still prove to be doubtful industrial ventures.

German loan for Iran

A West German banking consortium of Brown Boverie and Siemens is expected to help finance a natural gas-fired power plant, CPl reports. Dresdner Bank, the consortium leader, said a contract to this effect was signed with Iran Power Generation and Transmission Company of Tehran.

International and Kellogg Construction for an ammonia-urea complex at Maring Point, County Cork, due to be commissioned in 1978 with a daily production capacity of 1,100 tonnes urea and 1,350 tonnes ammonia. The loan was arranged by Kleinwort Benson acting for National Westminster Bank.

Danish Saudi move

The Danish Government is considering a plan to set up a \$2,500m, 15-year fund to assist Danish companies to participate in investment projects in Saudi Arabia, Hilary Barnes reports. The proposal follows a recent visit to Saudi Arabia by a Danish trade delegation which was informed that Danish companies were welcome to participate in developments projects on condition that they contributed from 5 to 15 per cent. of the capital cost, which would give them an incentive to make the project a success.

Mission to S. Korea

A 25-member French investment mission is expected to visit South Korea next week for a feasibility study of possible investments in electronic projects in South Korea, an area of foreign investment dominated by the U.S. and Japan. M. Alex. Clement, managing director of Societe d'Etudes de Construction Electronique, a Paris electronic engineering concern, is heading the team.

British chemicals loan

Britain's Export Credits Guarantee Department has guaranteed a £18.5m loan to help finance a £18.5m contract awarded by Nitrogen Elebrant Teoranta (NET) to Kellogg Arabian sources.

Comecon acts over debts

BY DAVID LASCELLES

COMECON appears to be doing something about the debts which it has been accumulating. Preliminary estimates for 1976 show that five of its seven member countries managed to narrow their trade deficit with OECD countries, notably the Soviet Union whose exports increased nearly twice as fast as imports. But that did not prevent Comecon's accumulated debt on its trade with the West to rise to \$65.5bn, a level not reached since 1970.

Hungary and Bulgaria managed to reduce their imports by some \$100m each, while at the same time boosting their exports. In Hungary's case by 6 per cent, and Bulgaria's by 23 per cent. But while Bulgaria was managing to hold its imports in check, Hungary appeared to be increasing them again towards the end of the year. The only two countries which failed to improve their trade position vis a vis the OECD were Czechoslovakia and East Germany where imports were rising strongly but exports staying level. In the case of Czechoslovakia, whose accumulated debt is the lowest in Comecon, that may reflect a deliberate policy of increasing imports, particularly technology and equipment.

Overall, 1976 was the first time in five years that Comecon managed to narrow its trade deficit with the West. But it was also the first year since 1971 where East-West trade grew by less than 10 per cent. This bears out the East European frequent warning that they would be forced to rely on imports unless they were able to sell more in Western markets. The setback of imports also demonstrates that Comecon governments can control their foreign trade, improving the recent Comecon debt scare gave the West cause to doubt. Comecon's improved position will only marginally reduce its need for finance and credits, bankers believe, since all its members still have large debts to pay off, and all are still in the red. But the grouping's partial success in correcting the imbalance should increase its credit standing.

The biggest contribution came from the Soviet Union whose exports to the OECD rose by 20 per cent to \$10bn, for the first time. Imports on the other hand rose by 9 per cent to some \$5.5bn. But although the Russians ended the year \$2bn in the red, the trends were improving and the biggest part of the deficit is built up in the first part of a year. Poland also managed to bring yawning deficit under control, increasing exports 8 per cent, actually cutting back imports 2 per cent. But the trends are less marked than the Russians', and by the autumn Poland's imports showed signs of accelerating again. The most dramatic performance came from Romania, thanks to the strict import regime imposed there to correct a deficit which at one time was creeping towards the \$1bn mark. Romania appears to have ended the year with a deficit of only \$20m, following a 10 per cent drop of imports and a 15 per cent increase of exports.

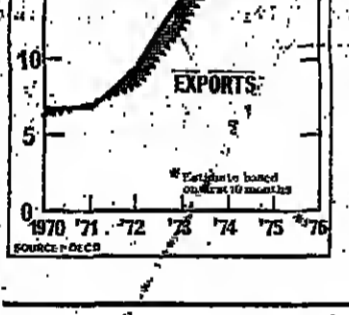


Table: COMECON COUNTRIES' TRADE DEFICIT WITH OECD. Columns: Country, 1976, 1975, Visible deficit accumulated since 1970. Rows: Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Romania, Soviet Union, Total.

Increase in Finnish transit traffic

BY LANCE KEYWORTH

THE congestion in Soviet harbours and the spare capacity of Finnish ports have led to a sharp increase in Soviet transit traffic through Finland in the past couple of years. The Finns expect this to continue in the foreseeable future. The eastbound goods are loaded in southern Finnish ports, and on to railway wagons and on to Soviet and other trans-Asian destinations such as Japan and some of the smaller Comecon countries.

Finland and the Soviet Union have the same broad gauge railway system. The Finnish State Railways carried 471,184 tonnes of transit freight in 1976, almost 100,000 tonnes more than in the previous year. Most of the traffic has been eastbound so far, but westbound traffic from the Soviet Union is increasing. The Finnish company handling the transit shipments is O/S Saimaa/Lines. It has three ships in service for the sea link with the main European ports. A growing part of the freight is being containerised, but bulk cargoes such as ore concentrates and heavy equipment such as earth-moving machinery are also moved by this route.

Agreement on the development of this transit traffic was reached by the Joint Finnish-Soviet Commission for Economic Co-operation. No volume targets have been set, but prices for the current year have been agreed.

Aid sought on semiconductors

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

EUROPEAN Governments must help the semiconductor industry in more financial support if it is to be competitive with Japan and the United States, according to a study commissioned by four Governments and the EEC Commission. German Government officials say that a survey part of the report—which is by Mackintosh, a British electronics consultant—also calls for cross-country mergers between European companies, as well as widespread co-operation on basic research and on equipment for making integrated circuits. The report was presented in Brussels yesterday to government officials from Britain, France, Germany and the Netherlands, plus the Commission. It is expected to have a catalytic effect upon the draw-out search for a common industry-government strategy against the US domination of the rapidly growing European market for integrated circuits. U.S. companies account for over 75 per cent of the European market, according to the report. A concerted Japanese recovery programme is also causing concern in Europe. Presenting a summary of Mackintosh's proposals to the German press in Bonn, Herr Hans Matthöfer, the German Technology Minister, said integrated circuits will be decisive for a country's technological efficiency. It is a key technology, and we must be in it, he emphasised.

Herr Matthöfer said he did not think Germany could move on its own, but he was noticeably cautious about whether other European Governments share his enthusiasm for injecting more support in a co-ordinated strategy. He was also cautious about the prospects for a successful cross-frontier collaboration in view of past problems with the Unidata computer alliance, and the current controversy over the JET nuclear project. Herr Matthöfer denied supporting the idea of an exclusive European industry. He argued that European partnerships would provide a basis for independence from the U.S., but that this would not exclude co-operation with companies in the U.S. and elsewhere. Many European circuit makers already have limited transatlantic links. Most of the controversial proposals in the Mackintosh report are being kept secret while they are considered by the Governments and the companies concerned. But Herr Matthöfer revealed the study's estimate that the leading U.S. semiconductor makers would spend over \$1bn on research and development in the next four years, "with massive state support" (mainly through military contracts).

In the same period, Japan would spend about \$400m on R & D in VLSI (very large-scale integration) circuits alone, with the Government providing more than half the funds. "Compared with this support, that given by most of the major European countries" has been too small and sometimes misdirected, the Mackintosh summary states. Some supporters of a large European programme would direct similar criticism at the new £20m U.K. industry aid scheme for electronic components, which was announced this week. The report forecasts that the average annual growth rate of the European microcircuit market will be substantially higher than in the U.S. over the next decade, with Japan lying in between. On the location of production facilities—one of the most sensitive issues—it forecasts that there will be a trend away from offshore assembly operations (mainly in the Far East) towards centralisation in the U.S. or Europe.

German loan for Iran

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LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court, in the Matter of SIO PROPERTIES LIMITED...

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court, in the Matter of BELUXE MUSIC LIMITED...

HOME NEWS

Building recession could reach into next year

BY MICHAEL CASSELL, BUILDING CORRESPONDENT
CONDEMNATION of the Government's treatment of the construction industry and a warning that the building recession will stretch into 1978 came yesterday from the building and civil engineering economic development committees...

Williams cuts under attack

Financial Times Reporter
A PLAN by Mrs. Shirley Williams the Education Secretary, to cut between 25 and 30 teacher training colleges is open for consultation and negotiation...

Rail deaths highest since 1967

By James McDonald
The number of people killed in rail accidents last year was the highest since 1967, even though there continued to be a decline in the number of accidents...

BBC could match top U.S. series

BY ARTHUR SANDLES
THE BBC appears to be holding its breath, watching them simply as stories told yet another little export to the Government in its campaign for a higher licence fee...

Cut in pay differentials attacked

BY ALAN PIKE
GROWING DEMANDS by skilled engineering workers for action to restore pay differentials will be fuelled by the conclusion of a National Economic Development Office report published today...

New superbus service for Stevenage

A THREE Superbus service starting in Stevenage, Hertfordshire, at the end of this week with the introduction of a streamlined service from the Martins Wood area to the town centre...

Callaghan to meet exporters

THE PRIME MINISTER is to tour factories in Yorkshire on Friday which have been successful in export markets...

Disincentive

Reduction of differentials had gone too far and had reached the point where it might be discouraging craftsmen from staying in or returning to the industry, and possibly acting as a disincentive to potential entrants...

Time workers

For skilled time workers, the differential fell from 45 per cent, to 28 per cent, over the same period. The report indicates that a similar decline in relative pay is taking place in some other industries...

COMPANY NOTICES

CANADIAN NORTH ATLANTIC WESTBOUND FREIGHT CONFERENCE... INLAND RATES CHARGES IN ENGLAND, SCOTLAND AND WALES... NOTICE TO SHIPPERS AND CONSIGNEES

DE BEERS CONSOLIDATED MINES LIMITED... Notice to the Holders of Preference Shares

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED... Declaration of Dividends

CONSOLIDATED COMPANY BUILDING MINES LIMITED... Declaration of Dividends

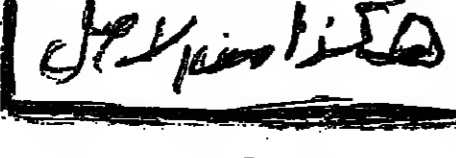
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA GROUP... Declaration of Dividends

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED... Declaration of Dividends

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ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED... Declaration of Dividends



This advertisement is issued in compliance with the Regulations of the Council of the Stock Exchange for the purpose of giving information to the public with regard to the proposed acquisition of the Company...

AMALGAMATED STORES LIMITED

(Incorporated under the Companies Acts 1862 to 1983/Registration No: 62417 England)

SHARE CAPITAL

Table showing Share Capital details: Issued and to be issued, Authorized, Fully paid, 8 per cent. Convertible Unsecured Loan Stock 1979.

15 per cent. Cumulative Preference Shares of £1 each (reduced to 4.55 per cent. by the Finance Act 1972) Ordinary Shares of 5p each

* This figure excludes the 1,720,000 Ordinary Shares of 5p each which would arise on full conversion of the Stock

DIRECTORS: CHARLES VINCENT ROWE (Chairman), The Grange, Thurlow, Haverhill, Suffolk. MRS. LOUISE JOY WINTON, 88, Queens Grove, London, N.W.8.

SECRETARY AND REGISTERED OFFICE: DAVID WOLFE GREX, P.C.A., 118/119 Newgate Street, London, EC1A 7AE.

LOAN CAPITAL

Now to be Issued £23.50

At the close of business on 31st December, 1976, being the latest date reasonably practicable prior to the date hereof this Company and its subsidiaries other than Ulverston ("the Existing Group") had outstanding secured bank borrowings of £131,385...

AUDITORS AND REPORTING ACCOUNTANTS

- THORNTON BAKER & CO. (Chartered Accountants), Fairfax House, Fulwood Place, London, WC1V 6DW. BARCLAYS BANK LIMITED, 19/21, Brook Street, London, W1A 4AJ.

A. THE EXISTING GROUP

HISTORY AND BUSINESS OF THE COMPANY: The business was founded in 1885 at several outlying sites in Sunderland and after seven years' trading, was transferred to "Blackburn & Sons Limited" upon its incorporation on 21st July, 1907.

THE EXISTING PROPERTY INTERESTS: The Existing Group owns the property interests particulars of which are set out below ("the Existing Property Interests"). The Company's interest in 114 Yarmouth Place, London, W.1, has been acquired by Jones, Lang, Wootton & Co. in April, 1976...

THE EXISTING PROPERTY INTERESTS: The Existing Group owns the property interests particulars of which are set out below ("the Existing Property Interests"). The Company's interest in 114 Yarmouth Place, London, W.1, has been acquired by Jones, Lang, Wootton & Co. in April, 1976...

SCHEDULE: Table with columns for Description and Terms of Tenants' Leases or Undertakings. Lists various properties like Yarmouth office building, 20th Floor offices, 4th Floor offices, etc.

B. FINANCIAL INFORMATION REGARDING THE EXISTING GROUP

Table showing Turnover, profit and appropriations of the Existing Group for the period from 1st August, 1971 to 30th September, 1976. Includes columns for 1972, 1973, 1974, 29 months ended 30th September 1976, and Unaudited 6 months ended 30th September 1976.

(b) Unaudited consolidated balance sheet of the Existing Group at 30th September, 1976. Fixed Assets: Properties, Yarmouth Place Office at valuation. Current Assets: Debtors, Cash at Bank. Current Liabilities: Creditors, Taxation, Loans and overdrafts.

Notes: 1. The freehold properties are shown at directors' valuation at 30th September, 1976. The cost of these properties was £67,083. Since 30th September, 1976 one property has been sold for £2,000. Such property has been included in the above balance sheet at this figure.

THE ACQUISITIONS: 4. ULVERSTON: (a) Ulverston was incorporated in England on 5th September, 1964 as a property investment company. Since its incorporation Ulverston has acquired and now holds for investment 27 properties in Ulverston, Cumbria...

Table showing ACCOUNTING POLICIES, RENTAL INCOME, PROFITS AND APPROPRIATIONS for the Existing Group. Includes columns for 1972, 1973, 1974, 29 months ended 30th September 1976, and 6 months ended 30th September 1976.

Notes: (1) The amount shown for taxation is made up as follows: Corporation tax, Advance corporation tax. (2) The dividend shown as payable in the year ended 31st March, 1977 includes income tax deductible at source...

C. BALANCE SHEET AT 30th SEPTEMBER, 1976

Table showing Balance Sheet at 30th September, 1976. Fixed Assets: Land and Buildings, Freehold, Leasehold. Current Assets: Sinking Fund Policies, Current Assets, Cash at Bank. Current Liabilities: Creditors, Preference Dividends, Unsecured Loans. Net Current Liabilities.

Notes: (1) Land and buildings are shown at cost. The properties were valued by Jones, Lang, Wootton, as at 30th April, 1976 as follows: Freehold, Leasehold. (2) The mortgage of £100,000 on the property sold subsequently to 30th September, 1976, referred to in Note 1 above, and has subsequently been repaid.

SUMMARY OF BALANCE SHEETS FOR SIX YEARS AND SIX MONTHS ENDED 30th SEPTEMBER, 1976. Table showing Fixed Assets, Sinking Fund Policies, Current Assets, Current Liabilities, Mortgages, Reserves, and Retained Earnings for years 1971 to 1976.

THE NEW PROPERTIES: (a) The consideration for the acquisition of the New Properties particulars of which are set out in the valuation reports of Jones, Lang, Wootton and Ashford, is a group of 16 properties, of the units of which 15 are to be sold as to 1,495,000 by the issue of fully paid £120,000 Ordinary Shares of 5p each in the Company...

Table showing Balance Sheet for the New Properties. Items include Rents receivable, Rents payable, Net Rental Income, and Net Current Liabilities for years 1972 to 1976.

Notes: (1) For the year ended 31st March, 1977, rent receivable and rent payable relating to the properties at 147 Kings Road, London, SW2, have been carried out prospectively, made relevant local currencies and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the value of the shares in the Company...

Vertical text on the left margin: 't nears oil stake', 'Public', 'ing', 'rokers', 'SE WHO KNOW', 'INDUSTRIAL'

The valuation is set out below in our opinion of the open market value of the properties as at 30th April 1970. We have not taken into account any special value which the various businesses may have in addition to their value as real estate...

ONE MILLION AND FIFTY THOUSAND POUNDS. The valuation is set out below in our opinion of the open market value of the properties as at 30th April 1970. We have not taken into account any special value which the various businesses may have in addition to their value as real estate...

Finally and in accordance with our standard practice, we must state that this Certificate is for the use of the party to whom it is addressed and is not to be relied upon by any third party for the whole or any part of its contents.

Yours faithfully, James Lang, Wootton, Chartered Surveyors.

SCHEDULE

Table with columns: Property, Description and Tenure, Estimated Net Annual Current Rental Value before Tax, Present Capital Value in Existing State. Includes properties like 44 Clifton Street, 3 Lombard Street, 14-15 Kings Road, etc.

Notes: (a) We are informed that the leases will commence on 1st May 1970 at the full rent... (b) The terms to R. A. and G. E. P. B. (Holdings) Limited referred to above in relation to 3 Lombard Street had not been agreed at the date of the valuation...

(c) The following is a copy of a letter from James Lang, Wootton amending their above valuation of 30 Clifton Street, London E.C.2. Amalgamated Stores Limited, 118-119 Newgate Street, London E.C.1A 7AE.

In accordance with your instructions, we set out below in an addendum to our report dated 20th April 1970 our revised valuation of the above property.

We have been informed that the lease of the 4th floor of the premises at 30 Clifton Street, London E.C.2, has been surrendered and a new lease of the entire accommodation, together with two other floors, has been granted to the Amalgamated Stores Limited for a term of 20 years from 25th December 1969 at a net annual rent of £12,500 per annum, subject to upwards only review on 25th December 1989. We further understand that the lease incorporated full repairing obligations in relation to the demised premises.

Based on the new terms and the terms relating to the remainder of the premises set out in our report dated 20th April 1970, we are of the opinion that the current open market value of the head leasehold interest in the property, being the benefit of a term of 20 years from 25th December 1969 at a net annual rent of £12,500 per annum, is £14,000 per annum, subject to upwards only review on 25th December 1989.

This valuation is subject to and should be read in conjunction with our report dated 20th April 1970. Yours faithfully, James Lang, Wootton, Chartered Surveyors. N.B. See N.R. 15 above.

(c) The following is a copy of a letter from James Lang, Wootton regarding their valuation: The Directors, Amalgamated Stores Limited, 118-119 Newgate Street, London E.C.1A 7AE.

Since the preparation of the valuation of the various properties as at 30th April 1970 and as set out in our letters to you dated 10th August 1970, there has been a significant increase in the minimum Lenders Rate in October, which has resulted in a material change in the state of the property market.

In the absence of any firm evidence of changes in yields required by investors for the types of properties within the portfolio, we are not able to adjust the yields in the valuation of the properties in a lower capital value. However, this does not mean that the yields in the valuation are not in line with those in 1970 in particular, which would not be discounted to such an extent as in April of 1970.

Yours faithfully, James Lang, Wootton, Chartered Surveyors.

(c) The following is a copy of the valuation of Atysford & Co. as at 30th August, 1970 regarding one of the New Properties: The Directors, Atysford & Co. Limited, 118-119 Newgate Street, London E.C.1A 7AE.

Re: Hulse House, Hulse Street, SW1. In accordance with your instructions dated 20th August, 1970, we have inspected and carefully considered the above property, and the various businesses which are carried on there, and on the basis of information as to the nature of the business and the like including that set out in the attached schedule which you have allowed us to see, our opinion of the value of the leasehold property in the property as at 30th August 1970 is £1,000,000 and our opinion of the value of the property as at that date is £1,000,000.

The following is a copy of a letter from Atysford & Co. regarding their valuation: The Directors, Atysford & Co. Limited, 118-119 Newgate Street, London E.C.1A 7AE.

Re: Valuation - Hulse House, Hulse Street, SW1. We refer to our letter of 20th August 1970 in connection with the above matter and confirm current market conditions have not significantly affected our valuation of that date.

C. THE ENLARGED GROUP. 7. MANAGEMENT OF THE COMPANY AND ITS SUBSIDIARIES INCLUDING ULVERSTON ('THE ENLARGED GROUP'). Upon completion of the above mentioned acquisitions Mr. F. Phillips and Mr. Stanley Wise will join the board of the Company and Mr. R. M. Nobbs and Mr. D. W. Grey will remain as directors.

8. LOAN FACILITIES AND CONVERTIBLE UNSECURED LOAN STOCK. The Company has been made subject to the terms of the whole of the issued share capital of the Company and to the terms of the whole of the issued share capital of the Company.

9. WORKING CAPITAL. The Directors are satisfied that the enlarged group has adequate working capital for its present and anticipated requirements.

10. PROFIT AND LOSS ACCOUNT. There is set out below a profit and loss account for the enlarged group based on the unaudited consolidated balance sheet of 30th September, 1970, adjusted to reflect the above-mentioned valuations of the New Properties.

Table with columns: Fixed Assets, Intangible Assets, Current Assets, Current Liabilities, Net Current Liabilities, Deduct Mortgages, Reserves, 3 per cent. Convertible Unsecured Loan Stock 1979.

NOTES: (a) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

1. LEASEHOLD PROPERTIES. The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

2. DIVIDENDS AND FITTINGS. Returns, Dividends and fittings at Hulse House, 3 Hulse Street, London, S.W.1 at cost... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

3. SINKING FUND POLICIES. The policy of £125,000 transferred the cost of 20th September, 1970 of premiums paid on two policies... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

4. LOAN TO DIRECTOR. The loan to Director which was made in breach of the Companies Act 1948 s. 180, was repaid on 20th August 1970... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

5. PREFERRED SHAREHOLDERS. There is a total of 4,700,000 ordinary shares of the Company and its subsidiaries which are entitled to dividends... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

6. CONTINGENT LIABILITY. A subsidiary has entered into a joint and several guarantee of £4,000 plus interest of the overdraft amount of £2,500 for the benefit of the parent company... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

7. CAPITAL COMMITMENT. The Group has entered into a verbal agreement to rescind the contract for the purchase of a property for £25,000 for which £12,500 was paid on a purchase of contracts by a subsidiary... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

8. DEFERRED TAXATION. No provision has been made for the potential corporation tax on the capital gain which would have arisen if the property had been sold and those of Ulverston had been sold at their valuation figures on 30th September, 1970 as the Company and its subsidiaries have capital losses available to them... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

9. PROSPECTS AND PROFIT FORECAST. The Directors are satisfied that the Enlarged Group will have a sound asset base and a satisfactory income and that the Group's earnings will be satisfactory... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

10. THE ENLARGED GROUP. The Directors are satisfied that the enlarged group has adequate working capital for its present and anticipated requirements... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

11. LOAN TO DIRECTOR. The loan to Director which was made in breach of the Companies Act 1948 s. 180, was repaid on 20th August 1970... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

12. PREFERRED SHAREHOLDERS. There is a total of 4,700,000 ordinary shares of the Company and its subsidiaries which are entitled to dividends... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

13. CONTINGENT LIABILITY. A subsidiary has entered into a joint and several guarantee of £4,000 plus interest of the overdraft amount of £2,500 for the benefit of the parent company... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

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15. DEFERRED TAXATION. No provision has been made for the potential corporation tax on the capital gain which would have arisen if the property had been sold and those of Ulverston had been sold at their valuation figures on 30th September, 1970 as the Company and its subsidiaries have capital losses available to them... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

16. PROSPECTS AND PROFIT FORECAST. The Directors are satisfied that the Enlarged Group will have a sound asset base and a satisfactory income and that the Group's earnings will be satisfactory... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

17. THE ENLARGED GROUP. The Directors are satisfied that the enlarged group has adequate working capital for its present and anticipated requirements... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

18. LOAN TO DIRECTOR. The loan to Director which was made in breach of the Companies Act 1948 s. 180, was repaid on 20th August 1970... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

19. PREFERRED SHAREHOLDERS. There is a total of 4,700,000 ordinary shares of the Company and its subsidiaries which are entitled to dividends... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

20. CONTINGENT LIABILITY. A subsidiary has entered into a joint and several guarantee of £4,000 plus interest of the overdraft amount of £2,500 for the benefit of the parent company... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

21. CAPITAL COMMITMENT. The Group has entered into a verbal agreement to rescind the contract for the purchase of a property for £25,000 for which £12,500 was paid on a purchase of contracts by a subsidiary... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

22. DEFERRED TAXATION. No provision has been made for the potential corporation tax on the capital gain which would have arisen if the property had been sold and those of Ulverston had been sold at their valuation figures on 30th September, 1970 as the Company and its subsidiaries have capital losses available to them... (b) The Group's net assets at 30th September, 1970 were £67,068 - at directors' valuation...

(b) The following is a copy of a letter from Paul E. Schweder Miller & Co. to the Directors of the Company: The Directors, Amalgamated Stores Limited, 118-119 Newgate Street, London E.C.1A 7AE.

We refer to the letter, dated 24th June 1970, from your Company and its subsidiaries for the year ending 31st March 1970, and to the letter, dated 24th June 1970, from your Company and its subsidiaries for the year ending 31st March 1970, and to the letter, dated 24th June 1970, from your Company and its subsidiaries for the year ending 31st March 1970.

12. SHARE CAPITAL. (a) Apart from the proposed issues of shares specified in this advertisement, no material issues of shares other than to shareholders at par in existing holdings will be made within one year from the date hereof without your approval of the Company in general meeting.

(b) The following is a copy of a letter from Paul E. Schweder Miller & Co. to the Directors of the Company: The Directors, Amalgamated Stores Limited, 118-119 Newgate Street, London E.C.1A 7AE.

13. ARTICLES OF ASSOCIATION. The Articles of Association of the Company contain provisions (inter alia) to the following effect: (a) Upon a show of hands every member entitled to attend and vote at general meetings of the Company who (being an individual) is present in person or by proxy shall have one vote.

(b) The Cumulative Preference Shares do not confer the right to receive notice of or to attend or vote at any meeting of the Company or of any of its subsidiaries, but the right to receive notice of or to attend or vote at any meeting of the Company or of any of its subsidiaries shall be conferred on the holders of such shares as a class.

(c) The right to receive notice of or to attend or vote at any meeting of the Company or of any of its subsidiaries shall be conferred on the holders of such shares as a class.

(d) The right to receive notice of or to attend or vote at any meeting of the Company or of any of its subsidiaries shall be conferred on the holders of such shares as a class.

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(o) The right to receive notice of or to attend or vote at any meeting of the Company or of any of its subsidiaries shall be conferred on the holders of such shares as a class.

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(s) The right to receive notice of or to attend or vote at any meeting of the Company or of any of its subsidiaries shall be conferred on the holders of such shares as a class.

(t) The right to receive notice of or to attend or vote at any meeting of the Company or of any of its subsidiaries shall be conferred on the holders of such shares as a class.

(u) The right to receive notice of or to attend or vote at any meeting of the Company or of any of its subsidiaries shall be conferred on the holders of such shares as a class.

(v) The right to receive notice of or to attend or vote at any meeting of the Company or of any of its subsidiaries shall be conferred on the holders of such shares as a class.

(w) The right to receive notice of or to attend or vote at any meeting of the Company or of any of its subsidiaries shall be conferred on the holders of such shares as a class.

(x) The right to receive notice of or to attend or vote at any meeting of the Company or of any of its subsidiaries shall be conferred on the holders of such shares as a class.

(y) The right to receive notice of or to attend or vote at any meeting of the Company or of any of its subsidiaries shall be conferred on the holders of such shares as a class.

(z) The right to receive notice of or to attend or vote at any meeting of the Company or of any of its subsidiaries shall be conferred on the holders of such shares as a class.

(aa) The right to receive notice of or to attend or vote at any meeting of the Company or of any of its subsidiaries shall be conferred on the holders of such shares as a class.

(ab) The right to receive notice of or to attend or vote at any meeting of the Company or of any of its subsidiaries shall be conferred on the holders of such shares as a class.



Hattersley calls bread row talks

Mr. Roy Hattersley, Prices Secretary, has invited all sides involved in the bread price dispute to meet to discuss the problem which he will chair.

Non-executive directors Bill introduced

SIR BRANDON RHYS WILLIAMS (C, Kensington) was given leave to introduce a private members Bill designed to enhance the status of non-executive directors in major public companies and to make them responsible for the financial health of the company.

Tied cottage

A GOVERNMENT measure correcting a mistake in the Agricultural Tied Cottages legislation was introduced in the Lords yesterday.

Written Answers

Mr. Michael McNair-Wilson (Con, Newbury) What discussions have been held with the chairman of the Post Office about issuing a set of stamps to commemorate the Silver Jubilee of the Queen?

ENERGY

Mr. Donat Hoyle (Lab, Nelson and Colne) What is the position on the renegotiation of the German contract for the supply of nuclear waste to the UK, and is it the intention to terminate those contracts with foreign powers in the event of their nuclear waste?

PRICES

Mr. Anthony Grant (Con, Harrow Central) What evidence is available of the danger to health from asbestos in electric hair-dryers? What steps are being taken to safeguard the public against such risks?

TREASURY

Mr. George Grant (Lab, Morpeth) What is the estimated loss of income to industry in the Northern Region in the years 1977-78 and 1978-79, respectively, resulting from the decision to abolish the regional employment premium? What is the estimated job loss as a consequence?

CIVIL SERVICE

Mr. Dennis Canavan (Lab, West Stralingshire) How many Civil Service jobs are in Scotland at present? What is his estimate for each of the next two years?

Rueful amid the ruins Rhodesia: A serious setback—Crosland

BY PHILIP RAWSTORNE

Mr. Anthony Crosland emerged from the ruins of the sixth attempt to construct a Rhodesian settlement yesterday, ready to try again despite a deeply pessimistic Commons.

Mr. Crosland had not been preceded on a take it or leave it basis. They could have been amended.

From the Labour side, Mr. Bruce George protested that on the contrary, the failure of the talks rested squarely on the Rhodesian leader who was provoking a race war in Africa.

MR ANTHONY CROSLAND, Foreign Secretary, told the Commons yesterday of his "deep sense of disappointment" that Mr. Smith had rejected the British proposals on Rhodesia, even as a basis for further talks.

Jobless: Tories share responsibility—Callaghan

BY IVOR OWEN, PARLIAMENTARY STAFF

WITH THE Government still determined to secure export-led expansion and to withstand pressure for easy reflation, there will be no early improvement in the unemployment situation, the Prime Minister warned the Commons yesterday.

Mr. Thatcher countered that it was the Government's failure to take the appropriate action early enough which had produced the present unemployment situation.

Mr. Callaghan acknowledged that there was genuine concern in the country about unemployment, and this was shared by the Cabinet.

He came under fire from Mrs. Margaret Thatcher, Opposition leader and from some Labour backbenchers, notably Mr. Eric Heffer (Liverpool Walton), over the announcement earlier in the day that the numbers out of work reached 1,448,193 on January 13.

Mr. Thatcher maintained that Mrs. Thatcher and all other members of the last Tory Government shared considerable responsibility for the present level of unemployment.

Mr. Callaghan said that the Government had reduced the money supply, but it was coming down fast. That is why we can look forward to a considerable improvement in our economic prospects, increasing exports, a balance in our payments, and the regeneration of British industry.

"I agree that this is not a total that should be tolerated," said Mr. Callaghan.

The policies of the Labour Government had reduced the money supply, he said. "It is coming down fast. That is why we can look forward to a considerable improvement in our economic prospects, increasing exports, a balance in our payments, and the regeneration of British industry."

Mr. Heffer indignantly said that the Prime Minister must be aware that many Labour MPs and the party in the country had expressed growing concern about the unemployment problem.

Mrs. Thatcher claimed that the jobless figure illustrated the failure of the Government's economic policies and demonstrated once again that Labour was "the natural party of unemployment."

The Prime Minister accused the Opposition leader and her supporters of "humbug," contending that they had been urging the Government to adopt policies which would have at least delayed the present level of unemployment.

Mr. Heffer indignantly said that the Prime Minister must be aware that many Labour MPs and the party in the country had expressed growing concern about the unemployment problem.

Labour MP's demand reveals party split over PR voting

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

ONE OF THE major battles over devolution got under way in the Commons last night when Mr. John Mackintosh, a leading Labour moderate, introduced a motion for proportional representation for elections to the Scottish and Welsh assemblies.

He felt that the main reason for the strong opposition to PR was that many MPs feared that if it was granted for Wales and Scotland, then it would inevitably follow for the election of the Government of Westminster.

Mr. Mackintosh's proposals would be an additional 29 members for the Scottish Assembly and another 14 for the Welsh. These members would be chosen by a process of "topping up," with the votes being distributed among unsuccessful candidates according to the amount of support they had received.

The Tories were allowing their MPs a free vote on proportional representation but the Government was imposing a three-line whip on its members to vote against it.

Mr. Mackintosh argued that when Britain had a two-party system with large majorities, the present voting system was good enough. But in Scotland and Wales, this was no longer the case.

Mr. Mackintosh argued that when Britain had a two-party system with large majorities, the present voting system was good enough. But in Scotland and Wales, this was no longer the case.

Mr. Mackintosh denied this. He maintained that it was better to have a coalition which had the backing of the majority of voters rather than a minority party trying to impose its wishes on a hostile public which had not supported it at the polls.

Mr. Mackintosh also reminded the House that the assemblies would be elected for fixed terms of four years. Thus, under the traditional system of voting, a

minority Government could be inflicted on the Scots and Welsh for the entire term—a situation which he thought highly dangerous.

The main burden of the complaints was that the introduction of proportional representation would result in weak assemblies ruled by shaky coalitions.

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National Carriers defended

BY RUPERT CORNWELL, LOBBY STAFF

IN A SPIRITED defence of their loss-making subsidiary, National Carriers Limited, senior executives of the National Freight Corporation, argued that the immediate closure of NCL would cost more than £55m, compared with a current turnover of about £70m, annually.

Mr. Daniel Pettit, chairman of the Corporation, told the committee that the £55m, lost last year by NCL and another NFC subsidiary, Freightliners, was due to heavy interest rate

charges and pension fund commitments inherited when they were set up in 1969.

Privileges inquiry agreed

THE COMMONS agreed yesterday to refer an article in the Sunday People, accusing 60 MPs of being in the pay of book-makers, to the Select Committee on Privileges.

Mr. George Thomas, after taking a day to consider the issue, told the House that he was satisfied that he could allow a motion on the story to take precedence over the business of the day.

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Rhodesia: A serious setback—Crosland

MR ANTHONY CROSLAND, Foreign Secretary, told the Commons yesterday of his "deep sense of disappointment" that Mr. Smith had rejected the British proposals on Rhodesia, even as a basis for further talks.

He told the House that the breakdown of the talks represented a serious setback to all our hopes for peace in Rhodesia.

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LABOUR NEWS

'Bullock controversy could hit lower-level participation'

BY CHRISTIAN TYLER, LABOUR STAFF

CONTROVERSY about worker directors (a third of the backed test case for industrial democracy, the Post Office unioning even in advance of today's and seven negotiating groups are still not entirely agreed on publication of the Bullock Committee report, still awaited some 18 months to Mr. Gerald Kaufman, if the project was approved Minister responsible.

Mr. Jones said yesterday that the Board of directors, management directors, worker directors and six dependents is the most favoured proposal. There is said to be a strong feeling about how the Board of directors would be divided between big companies on industrial democracy, Mr. Keith Jones, the Belfast firm Compen, said the Board of directors should be allowed to have the independent four.

The warning came from a management consultancy which has been advising at least four big companies on industrial democracy, Mr. Keith Jones, the Belfast firm Compen, said the Board of directors should be allowed to have the independent four.

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Judge says newspaper can sack closed-shop victim

BY ALAN PIKE, LABOUR STAFF

A HIGH COURT judge yesterday refused to renew an injunction restraining the management of Journalists, who accompanied the Ilford Recorder newspaper Mr. Southwood to court yesterday from dismissing a photographer, said after the hearing that the issue would now be put involved in a closed shop dispute.

Mr. Southwood, a former member of the National Union of Journalists, who recently joined the rival Institute of Journalists, based upon his view that equal remedies were available elsewhere, this is through the Industrial Tribunal, said Mr. Southwood.

Mr. Southwood said: "I shall resign my editorship tomorrow and Mr. Southwood was told that unless he rejoined the NUJ by Friday he would be dismissed for misconduct."

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Delivery concern says it faces closure

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

JAMES CAR, a major delivery concern, warned last night that it could be forced out of business unless an early solution is found to the three-week strike by its Midlands drivers.

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Halewood peace move

MOVES are afoot to bring forward a meeting planned for next week in the hope of settling a row over disciplinary procedures which has halted all finished car output from Ford Motor's Halewood plant on Merseyside.

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Two women's equal pay bid resisted

TWO women's factory inspectors seeking equal pay with men have been told by a court that they would be upstaging the pay award of a union-agreed salary structure if they succeeded, the Employment Appeal Tribunal in London yesterday said.

Mr. Lester said the special category of established inspectors had been re-designated as new employees and come into it after 1970. The rate was created to preserve the rate of pay for those in it because a 1971 pay regrading would have resulted in a pay reduction for the men involved.

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Advertisement for a car, featuring the text 'Model: HS-1', '1963 hours', 'First registered', 'Engines on', 'Auxiliary p', 'many extra', 'Lavishly eq', 'and mainta', 'transport c', 'Operating'.

The Management Page

On the day the Bullock Report advocates the worker director path for industrial democracy, Robert Oakeshott describes an alternative approach in which ownership is changed rather than management. In Dublin he finds a family company whose owners handed the business to employees but kept day-to-day charge.

A co-operative café

OF COURSE, they have of the Quaker family which always had the most excellent started the business. All but employee relationships" said the middle-aged woman who was my neighbour as we struggled to attract the attention of our waitress in the crowded downstairs dining room of the Bewley's café in Grafton Street, Dublin. I wondered for a moment whether to tell her that this rather old-world, Dublin family business was not so much the familiar case of a company pursuing enlightened staff policies as a pioneer of a kind of top-downwards revolution in business structure which could well lead eventually to a full scale bottom-upwards system of workers' (or predominantly waitress) control. But I thought better of it. My neighbour was clearly in a hurry.

There can however be no doubt about either the reality or the direction of the changes which have been taking place at Bewley's since 1971 when the Bewley family handed over ownership of the business to its employees. Equally, since the company has a very stable labour force of approximately 400, an annual turnover in excess of £1.8m, and an unbroken history stretching back to the 1840s, one is clearly not dealing with an inconsequential or temporary phenomenon—like organisational changes in an ephemeral King's Road boutique. It is in fact the second largest and the oldest of a handful of private companies which have chosen to transform themselves into "common-ownership" since the war.

Irrevocable change
To begin with, after year-long discussions, there was an irrevocable change of the company's articles in 1972 whereby the ownership of the business was handed over by the family to a new organisation called Bewley Community Ltd. Membership of the Community is open to any of the operating company's employees who have been with Bewley's for three years—because of low labour turnover, means the vast majority of present staff. In effect the staff are thus presented with a power of veto which could be exercised if, for example, the family or other directors wished to sell the business or if a take-over bid were threatened. One great advantage of this type of company, therefore, is that it makes Bewley's virtually invulnerable to the asset strippers.

High cost of wages
Bewley's Cafes (or Bewley's Oriental Cafes as it still calls itself, for historical reasons, on its shop fronts) has five cafes—sum-shops in and around Dublin plus a substantial bakery employing between 50 and 100 people, a farm and what is described, with perhaps pardonable exaggeration, as a "chocolate factory" employing nine people. Deliveries from the farm, the bakery, and the chocolate factory account for a substantial proportion of the goods sold in the shops and cafes. So wages, a little old-fashioned, there is and thus value added, form a larger proportion of turnover than would be normal in the cafe or shop trade. The last accounts show wages and collective level seem good. In salaries at over 45 per cent of turnover.

Bewley's has always been very much a family business. Victor Bewley, chairman and managing director who will be retiring at 35 this year and who has unquestionably been the driving force behind the ownership changes, is the third generation

pany's 20 departments together with one elected staff member from each. In principle it meets monthly and is clearly growing in its influence. It can discuss and give advice on anything it wishes; for example it has recently discussed, and backed, a Board proposal to open a third branch operation in the Dublin suburbs.

More important and interesting than the institutional arrangements of this involvement however is the evidence of the effects of the changes. For example, under the Irish Government's old price and wage codes, Bewley's was due to pay a general wage increase at the end of June, 1975. On the other hand, under the rules of the price code, the accountant had to point out that the company could not afford the increase although it could have been paid out of reserves. There was no question of Bewley's going into liquidation although the profit and loss account, if the wage rise were paid, would have swung significantly into the red.

It was characteristic of Victor Bewley in that he argued in these circumstances that the increase should be paid. But it was also characteristic of him that he yielded to pressure from younger Board members and others to discuss the whole matter with the council. In the council, it turned out, there was a very large majority for postponing the increase and for "doing something to help our company" as one member put it. But there was also a large majority in favour of encouraging any individual who felt he or she really needed the increase, to take it.

There was one other problem which had to be taken into account before a final decision was reached. The Bewley's bakery is fully unionised, and the union, consulted formally before the council meeting, had said that of course its members would have to receive the increase. So what was finally decided was that the bakers should have the increase as a matter of right and that anyone else could choose to take it if they wished. In fact only a minority did so choose. Even more interesting, a large number of the bakers asked that they should be able to lend the increase back to the company for the time being.

It is the maturity shown by these decisions which is, of course, both the proof and the pay-off of the measure of involvement which has been achieved at Bewley's. A year later, with the company again future changes but seems con-



A Bewley's cafe in Dublin

profitable following price increases, full arrears of the increase were paid by Bewley's to all those who had foregone it. But, as Victor Bewley points out, no one knew that this would happen when they made their original choice. He claims that this kind of genuine involvement can be an immense source of strength to a company perhaps especially when market or other conditions make the going difficult.

Contributions to management

There are numerous examples too of most positive individual involvement and of contributions to management going well beyond the normal suggestion box level—a porter successfully organised a most productive meeting of the Grafton Street non-management staff and invited the chairman to attend; a waitress member of council suggested a most profitable switch from closing half-day on Christmas Eve to closing half-day on the previous Saturday.

Essentially Victor Bewley is the progressive Quaker businessman and fits into the Cadbury-Rowntray tradition of progressive Quaker paternalism. But by taking a big step in the eventual direction of bottom-upwards workers' control he has extended that tradition into new territory. He does not venture to predict the pace of future changes but seems con-



Company status to be defined

BY MICHAEL LAFFERTY

THE FIRST EEC company law directive to be passed since the U.K. joined the Common Market was approved by the Council of Ministers in Brussels last month. Known as the second company law directive, it has a number of important implications for British companies.

The most striking of these is that either public or private companies (it has not yet been decided which) will have to change their names to include some indication of their status.

The move is aimed primarily at distinguishing public companies. All other EEC countries, apart from Ireland, have two separate forms of company—private and public—with separate governing laws for each. Public companies are identified in France and Germany, for example, by the letters SA and AG after their names. A similar distinction by U.K. companies was the very minimum considered necessary by the European Community and Britain's Common Market partners.

For administrative reasons alone it would seem likely that the U.K. Government will favour changing the names of the country's 16,000 public companies rather than the 500,000 private ones. This has already been called for by the Institute of Chartered Secretaries and Administrators and could well be on similar lines to those proposed in the Conservative's 1973 Companies Bill, whereby, in the case of public companies, the words "public limited company" or the letters "plc" would have been the appropriate designation of status.

The second point to note is that the directive requires all public companies to have a minimum capital of 25,000 units of account—at present that would be about £16,500. This would not seem a high figure for many public companies but there are certainly quite a few companies in the U.K. with public status (basically a company which has more than 50 shareholders) with a far lower paid-up capital. It remains to be seen whether companies such as housing associations will have to bring their capital into line or whether the Government will propose to change the definition of public companies.

Fortunately there are generous time limits for transience and compliance. First of all member States have two years to bring into force the laws and regulations necessary to comply with the directive. Then it

would appear that, in the discretion of member States, the measures themselves need not be applied for a further 18 months by companies in existence at the time the directive came into force. And even then the time limit may be increased to 3 years or 5 years for unregistered companies in the U.K. and Ireland in respect of the minimum capital requirements.

Subscribed capital may be formed only of assets capable of economic measurement. Thus an undertaking to perform work or supply services may not form part of these assets and it would seem to rule out the possibility

of shares being issued in consideration for work done or services rendered.

Shares issued at the incorporation of a company must be paid-up to at least 25 per cent of their nominal value, and where the consideration is other than cash, payment must be completed within five years of incorporation.

Except in certain cases, independent experts are required to report on the value put on the assets, other than cash, which make up the consideration. The report of the experts, must publish a description of each asset to form part of the consideration together with information on the valuation methods used.

A similar examination procedure by independent experts is required if within two years of incorporation a company acquires, other than in the normal course of business, any assets from its founder for a consideration of not less than 10 per cent of the subscribed capital.

Where the payment of interim dividends is allowed, interim accounts showing that sufficient funds are available must be drawn up; however, there is no requirement to have the accounts audited. Any amount distributed as an interim dividend cannot exceed the profit of the interim period plus profit brought forward together with the distributable reserves.

The directive prohibits a company subscribing for its own shares except where this is already permitted by member States. Where this is the case acquisition is subject to strict conditions and voting rights are suspended. For the most part, however, the second directive is a somewhat uninspiring document which confirms many of the worst fears that European company law harmonisation would in practice prohibit amount to adoption of the lowest common denominator. But it should be seen only as the beginning of what promises to become a much more formidable area of company law over the next few years. The most notable of the forthcoming measures is the proposed fourth directive on annual accounts, expected to receive Council of Ministers approval by the middle of this year.

This is a much more controversial document than the second directive because it will have a significant influence on U.K. companies. The draft fourth directive, like all other EEC company law proposals, has been published apart from the seventh directive on consolidated accounts, which was published before the U.K. became a member of the Community. For this reason it has far more in common with Continental EEC company laws than those of the U.K. and Ireland. As in German law it proposes standardised layouts for the balance sheet and the profit and loss account and would require companies to observe certain accounting valuation rules in the preparation of accounts. The original draft of the directive appears to have been amended so as to stipulate that accounts must, above all other legal requirements, give a true and fair view. So any fears that British companies may soon have to publish lengthy balance sheets may be ill-founded; it will depend on the final wording of the approved directive and the Department of Trade Inter-pretations which will then have to be brought into force in Britain. The complete text of the second EEC company law directive was published in the January 7, 1977, issue of "Trade and Industry." A commentary on the directive is contained in the January 1977 issue of the Price Watcher's EEC Bulletin copies of which may be obtained from Mr. M. R. Cloyton, Southwick Towers, 32, Lound Bridge Street, London, SE1 9ST.

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BUSINESS PROBLEM BY OUR LEGAL STAFF

Subscriptions donations tax

Would you please enlighten me regarding the attitude of the Revenue concerning payments made by a company as follows:

(a) trade subscriptions; (b) a donation to a charitable organisation devoted solely to work on behalf of the employees within the industry in which the company is operating; (c) a political donation; (d) a purely charitable donation. What effect does the signing of a seven years' covenant have in the above instances?

Finally, could you please briefly explain the mechanics of a covenant, showing to whom and how the tax reliefs operate?

(a) Trade association subscriptions: (i) if the association has entered into the standard extra-statutory arrangement with the Inland Revenue to pay tax on surplus income, the subscription is deductible for corporation tax. (ii) Otherwise, one must look at the objects of the association and how it has in fact spent the money subscribed; broadly speaking, the subscription will be deductible if the association's expenditure would have been deductible if it had been incurred direct by the subscriber.

(b) Donations to trade-connected charities: Generally allowed, if reasonable and regular.

(c) Political donations: Not deductible (except in rare borderline cases).

(d) Purely charitable donations: Not deductible.

The test in every case (except (a) (i)) is whether the expenditure was incurred for the purposes of the company's trade (under section 130 of the Income and Corporation Taxes Act 1970).

Covenanted donations to charity: An annual payment made (under deduction of basic rate income-tax) under a deed of covenant is deductible as a charge on the company's income (under section 248 (8 and 9) of the Taxes Act). If you are thinking along these lines, helpful free leaflets and general notes are readily available from the Charities Aid Foundation, 48, Pembury Road, Tonbridge, Kent, TN9 2JD; no doubt you have seen their advertisements in the Financial Times.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

European Law Letter

This month's issue contains special articles on:

- "The EEC Commission's draft of Patent Licensing rules"
- "The new Patent Bill"
- "The new quota cartel for the EEC steel industry and the recently approved German subcartels and mergers"
- "The UK's consumer protection and competition policy, as seen by Prof. Gordon Borrie the new Director General of Fair Trading."

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WEDNESDAY, JANUARY 26, 1977

The shake-out continues

UNEMPLOYMENT, AS expected and officially forecast, continues to provide the exception to the flow of much improved news which has set in since the new year began, and the latest figures do not, on the face of it, even suggest any slackening in the increase in the total. The underlying trend continues upwards by something like 15,000 a month, or perhaps as much as 1 1/2 percentage points in a full year.

World demand The Government has now admitted that it is in the short run unable to provide anything but palliatives and make-work schemes — which are, in fact, probably holding the total considerably below what the economic conjuncture would suggest; but the power of such schemes to damp down the monthly increase is now largely exhausted.

Wage climate Assuming that the financial climate improves through the year—which depends vitally on the wage-hargaining climate—one warning remains to be given. The Prime Minister surmised this week that even a recovery of industrial growth would leave a legacy of high unemployment; and if industry is to approach international levels of productivity, this must be true.

The power struggle in Spain

THIS WEEK'S political murders in Madrid have raised the stakes in the power struggle between Right and Left in Spain to an exceedingly dangerous level. The brutal massacre of four leading Left-wing lawyers, the most horrific act so far of the post-Franco era, has demonstrated more forcefully than ever the lengths to which extremist groups are prepared to go to sabotage the Government's plans for a smooth transition to a more democratic society.

Retaliation The danger is that this week's violence, perpetrated, it can only be assumed, by the extreme right, will provoke retaliation in kind by the extreme left. The Marxist left now apparently hold captive two senior right-wing figures, the President of the Supreme Court of Military Justice, kidnapped on Monday, and the President of the Council of State, abducted before Christmas—if, that is, the shadowy GRAPO group that has claimed responsibility is indeed of the Left.

Chain reaction For its part, the Government must keep its nerve and show that it intends to act with equal determination against terrorists whether they are from Right or Left. The extreme Right must not be given any reason to assume that it will be treated more leniently. If the killing in Spain is allowed to develop into a chain reaction, on Ulster lines, there will be little hope for democracy. The more violence escalates, the greater will be the risk that the Army will feel tempted to re-enter the political arena to restore law and order. That may well, of course, be precisely what the extreme Right wants to achieve.



Failure of a mission: Mr. Ivor Richard leaves Mr. Ian Smith's office in Salisbury on Monday morning.

EXACTLY FOUR months ago, the Rhodesian Prime Minister broadcast to a hushed nation and a grateful if surprised world that he had accepted majority rule in Rhodesia within two years. Mr. Ian Smith's broadcast came only days after some of the toughest meetings of his life: at one point, as he discussed the future of his white-ruled country with the then U.S. Secretary of State, Dr. Henry Kissinger, and with South Africa's Prime Minister, Mr. John Vorster, he apparently complained that they were asking him to "sign my own suicide note."

On Tuesday night, in another broadcast, Mr. Smith signalled that the Kissinger initiative had failed. Though Mr. Smith clung doggedly to the view that the plan that he had agreed with Dr. Kissinger was not dead, and though he declared that his outright rejection of new British proposals for an interim Government in Rhodesia did not mean that he had closed the door on further negotiations, almost no one apart from some Rhodesians shares his view.

The Kissinger initiative will almost certainly take its place in the growing file of failed attempts to solve the problem caused by the refusal of the white minority in Rhodesia to negotiate an ordered handover of power to the black majority. The terms offered in the 11 years since Mr. Smith's Unilateral Declaration of Independence have become progressively tougher. The proposals negotiated, in the late 1960s by Mr. Smith and Harold Wilson (as he then was), the former British Prime Minister, ahead of the warships Tiger and Fearless put majority rule white satisfaction, independent in the distant future. Though denied under a black Government the Douglas-Home terms in 1971 brought it nearer, though these terms were rejected by African

For these reasons the Kissinger

Rhodesia: a tale of missed opportunities

BY BRIDGET BLOOM in Salisbury

plan was rejected by all four major African nationalist groups even before the ink on it was dry. The British proposals, produced rather grudgingly after the seven long weeks of the Geneva conference last year, were an attempt to meet the objections of the nationalists and assure the whites that the interim government would result in an orderly transfer of power. At their centre was a British Resident Commissioner who would have a casting vote in a black majority Council of Ministers, and in a National Security Committee, composed of black and white leaders and Services and police chiefs.

The other details of the proposals, which the British Foreign Secretary, Mr. Anthony Crosland, may or may not decide to publish, are no longer particularly relevant. For the effect of that casting vote—over veto—would have been to transfer power on vital matters of security to the Resident Commissioner. The man who held that office might not, as Mr. Smith suggested in his broadcast on Monday, have had sufficient power to enforce his decisions, undermining the assurance of a peaceful transfer of power. But fundamentally Mr. Smith turned the proposals down because he saw that they would inevitably lead to black majority rule with no hope of escape.

Whatever efforts might now be made, in the wake of Mr. Smith's rejection of the proposals, to suggest that negotiations have not completely broken down—and that Geneva, for example, is merely in recess and might be recalled—seems unlikely to signify much, for the simple if fundamentally tragic reason that neither of the two protagonists is ready for talks on the other's terms. From September 24 until yesterday all available means of compromise were explored and found wanting. Mr. Smith is now apparently determined to pursue his so-called domestic alternative and to seek a solution with "moderate" Africans in Rhodesia.

Control of the guerillas

The nationalist parties of the Patriotic Front, which are backed to the exclusion of the other groups by the front line African presidents, and which have the best claim to control the guerilla fighters, are clearly determined to step up the war in the expectation of an eventual white capitulation. Mr. Smith's intention "unilaterally" to implement the

night, though he referred to the possibility of, far reaching changes, he was noticeably vague about time tables. And Mr. Des Frost, clearly angered by any suggestion of repealing the act, has called a full meeting on Thursday of the Rhodesian Front, of which he is chairman.

But it is on the external front that Mr. Smith's domestic alternative is likely to prove most clearly a non-starter. Obviously, he believes that he can either carry South Africa with him, or force a reluctant Mr. Vorster to enter the conflict if he cannot, he stands to lose his only remaining trade routes and sources of arms. But Mr. Vorster is believed to be deeply worried by the rejection of the British proposals. He would much prefer a moderate solution, which would, for example, exclude the Patriotic Front. But it is by no means certain that he would be prepared to back such an eventual settlement with increased arms and even troops, which is what the Rhodesians would like and would certainly need.

No trust in Mr. Smith

Neither is there any hope that the Patriotic Front and their backers would accept a "domestic alternative." They already have rejected the Kissinger plan out of hand, and would not trust even the most apparently genuine attempt by Mr. Smith (which might, for example, include a referendum) to implement it unilaterally. Because of this African rejection, the plan also stands rejected by Britain and by the U.S., where the new Carter Administration gave support to the British proposals.

Unless there were to be a quite unexpected shift in African alliances with, say, a majority of the members of the Patriotic Front deciding to join Bishop Muzorewa in new negotiations, it is impossible to envisage Britain or the U.S. being able to change from this position.

So are we back to Square One? In a real sense, the situation is worse than it was before the Kissinger initiative was launched, and the blame for that must be put partly at Dr. Kissinger's own door. One may for instance believe that there never has been any hope of an accommodation between Mr. Smith's Government and African nationalism—in which case the Kissinger initiative was an irrelevance anyway. But if one starts from the premises that negotiations might have been possible had they been tried at the right time, then

MEN AND MATTERS

From art to Remnant

The British Rail Pension Fund and the Standard Trust company do, in reality, move in similar financial worlds but the BR group's move towards a takeover of the investment trust came as a thorough surprise yesterday. In fact the £450m. rail pension fund has a penchant for doing the unexpected (repeatedly spending some £3m. over two years on works of art); in Standard it has lighted upon a splash in the charge of one of the City's best known investment trust operators, Touche Remnant.

The managing director is 47-year-old Lord Remnant, chairman-designate this year of the Association of Investment Trusts and about the most widely-quoted authority on the subject. His father, the second Baron, was a stockbroker, but the present Lord chose the accountancy route and eventually rose to be a partner of Touche Ross.

That firm has been involved with investment trust management since the 1890s. About seven years ago, it was decided to put the investment trust side into a separate firm, which became Touche Remnant. Later still, Touche Ross itself relinquished ownership of Touche Remnant to the individual investment trusts, then under management. More trusts have "joined up" since but have no ownership role. Remnant himself has a double role in the latest development, both as managing director of the management company and as Standard's chairman. Responsibility for the British Rail Pension Fund rests primarily with David Jones, chairman of the pension funds investment committees, whose principal job is executive director (finance) on the British Railways Board. A

Art buffer

One of the side effects of Kenneth Robinson's appointment as new chairman of the Arts Council is likely to be his resignation as chairman of the English National Opera. He is after all full-time chairman of London Transport and finding the time to look after the broader cultural sweep covered by the financially strained Arts Council will inevitably mean giving up several of his other voluntary activities. But Robinson, a former Minister of Health who retired from active politics with the

Labour Party in 1970, does not appear to be unduly disturbed at the prospect of taking over at this time of special strain on the Council's financial resources. It is, he says, a familiar problem for anyone with experience of trying to run the Health Service, or British Steel or indeed London Transport. Resources are always limited and it is the usual question of selecting priorities, he says. Robinson himself is an opera buff, but this does not necessarily mean special treatment for the opera. He claims to be "surprised but honoured" at his new appointment and has not yet had time to work out any clear priorities. In any case this will largely depend on the size of this year's grant.

As to earlier murmurings against the likely appointment of a former politician to this post Robinson agrees with his predecessor Lord Gibson's view of the Council as "a buffer between the political system and the arts." He feels that nearly seven years' absence

from direct involvement in politics has re-established the necessary degree of political virginity although he recognises that his tenure of top jobs in state-controlled concerns has kept him involved in "politics at one remove."

GEC's Co-op

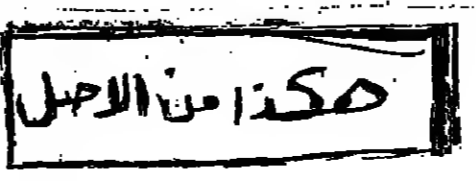
GEC's intervention in the cliff-hanging talks on the rescue of the Meriden Motorcycle Co-operative has provoked acute astonishment in some of its admirers. But the suggestion that GEC's offer of help to the Co-operative was somehow uncharacteristic of one of the most profit-conscious companies in Britain was brushed aside by its deputy managing director, Sir Kenneth Bond, last night. Bond says that Meriden, set up with the help of almost £5m. worth of Government funds, is "an interesting experiment." GEC is very interested in consultation and participation, and is looking all the time at new ways of solving industrial problems so long as they do not represent doctrinaire views.

GEC's plan to assist Meriden by buying its motorcycle stock and injecting some of its own management skills is now being debated vigorously inside the Government. It has an air of plausibility, since it has been recognised for some time that the Co-operative lacks middle management skills. The public accounts committee report last year highlighted the help that GKN was able to provide in a similar way last summer.

Ironically, Sir Kenneth himself may have another word to add to the debate when it comes nearer conclusion. He is a member of the Industrial Development Advisory Board, the Department of Industry's watchdog which casts an eye over companies receiving Government aid.

Observer

Advertisement for UDT (United Dominions Trust). It lists several services: ★ As a leading finance house, UDT offers loans to the individual; and to manufacturers, traders and farmers, finance for vehicles and equipment. ★ As a national company, UDT operates a countrywide network of branches to provide a rapid response to local financial needs. ★ As an export finance house, UDT offers exporters credits for their overseas customers and finances international trade. ★ As an authorized bank, UDT offers other banks, business concerns and the public competitive rates for deposits.



COMPANY NEWS AND COMMENT

Cowan de Groot higher midway at £0.72m.

ON SALES ahead by £2.36m. to £11.71m, pre-tax profit expanded by £183,117 to £719,248 for toys, hardware and machinery imports and wholesalers Cowan de Groot in the half-year ended October 31, 1976.

HIGHLIGHTS

Lex comments on the proposed offer by the British Rail Pension Fund for Standard Trust at a 5 per cent discount on net asset value. Elsewhere, Amalgamated Stores is being re-quoted after a year's absence from the stock market, and Weeks Associates is having a rights issue to reduce its borrowings.

The group was strongly based and that should see it through to the year-end with a "definite increase in profits", he said.

Lincroft Kilgour steady

SECOND half pre-tax profit of Lincroft Kilgour, the menswear manufacturing and textiles group, increased from an adjusted £0.39m. to £0.51m. in the six months ended September 30, 1976.

Henderson-Kenton nears £1/2m.

TAXABLE PROFIT rose £54,000 to £488,000 at retail furnisher Henderson-Kenton for the six months to September 30, 1976. Sales advanced from £7.24m. to £8.66m.

Setback for ML Holdings

AN INDUSTRIAL dispute lasting 30 weeks adversely affected the performance by engineers ML Holdings for the half year ended September 30, 1976.

SEET 86% ahead in first half

Turnover of Scottish English and European Textiles increased by 36.1 per cent to £4.95m, and pre-tax profit by 87.7 per cent to £0.35m. for the half year to October 31, 1976—the figure for the previous 12 months was a record £0.42m.

Table with 2 columns: 1976, 1975. Rows: Sales, Operating profit, Tax, Earnings.

comment

The softness in the retail furniture market—with manufacturers' deliveries down an estimated 6 per cent in volume terms—finally caught up with Henderson-Kenton, whose 12.4 per cent profit advance at the half year contrasts with the recent annual compound rate of 38 per cent.

Table with 2 columns: 1976, 1975. Rows: Turnover, Trading profit, Open and interest, Pre-tax profit, Taxation, Dividend.

comment

The decline in volume on the menswear side at Lincroft Kilgour must have been substantial. Sales by value are up slightly but this year has been the first since Henderson for a full year and increased volume on the cloth side.

Table with 2 columns: 1976, 1975. Rows: Turnover, Profit before tax, Tax, Dividend.

comment

M. L. Holdings' true interim performance is distorted by the unquantified costs of the recent goodwill. But even if these were as high as £80,000, the remaining 6 per cent drop in the pre-tax level is still a clear reminder of the effects of the group's uneven profits taking policy.

ISSUE NEWS AND COMMENT

Amalgamated Stores re-quotations

Amalgamated Stores, whose share quotation has been suspended for a year, is coming back to the stock market on March 31. But having regard to the trading loss of the company from April 1, 1976 to the date the acquisitions are completed, the directors forecast that there will be a net profit of £46,000 for the year.

comment

After Ulverston and five new properties are brought into Amalgamated Stores, the company emerges for its re-quotations with its balance sheet in better shape, though it is hardly impressive. The company is still a very small property group which is only just making a profit in the final couple of months of its year.

Weeks raises £350,000

The trailer and engineering group Weeks Associates, is proposing to raise £350,000 by way of rights issue on February 11 to increase the authorised capital. Dealings in the new shares begin on February 14.

comment

A 92 per cent profit increase from Weeks to at least £480,000 is hardly surprising after the 47 per cent interim profit increase to £232,000, but it does confirm that the group has not broken losses from the profits plateau of recent years.

Yearlings at 12 1/2%

The coupon rate on this week's batch of British local government bonds has fallen from 13 1/2 per cent to 12 1/2 per cent. The bonds are issued at par and due on February 1, 1978.

Capital Laundries downturn

Turnover of Capital and County Laundries increased from £1.85m. to £1.94m. for the year to September 25, 1976, and profit dropped sharply from £250,239 to £104,708m. before tax of £83,500, compared with £134,500.

Four Chubb subsidiaries merging

A NEW subsidiary, Chubb Electronics, has been formed by Chubb and Son in the U.K. into which it is proposed eventually to merge the present activities of Chubb Alarms, Chubb Integrated Systems, ICG Machines, Ltd. and Gross Cash.

Harveys of Bristol takes £2.9m. leap

A sharp rise in pre-tax profit from £5,718,000 to £8,664,000 is shown by the Allied Breweries subsidiary Harveys of Bristol for the year ended September 25, 1976. Sales were up £1.6m. to £57.6m.

DIVIDENDS ANNOUNCED

Table with 5 columns: Company, Current payment, Date, Corresponding year, Total last year.

Growth seen by Caplan Profile

GIVEN THE right economic climate, 1977 should be a year of growth in both turnover and profitability for the Caplan Profile Group, forecasts the chairman Mr. Ian Caplan.

Advance by Houchin in first half

ON A first half (to October 31, 1976) turnover up 17 per cent to £2,324,000, Houchin has increased its profit by £111,945 to £242,700.

Slight drop for Hales Properties

A small decline in pre-tax profit from £57,421 to £54,068 is shown by Hales Properties for the months ended September 30, 1976. The directors are, however, confident that the results for the whole year, ending March 31, 1977, will compare favourably with those of the same period in 1976.

SURVEY OF POOLED PENSION FUNDS AS AT 31st DECEMBER 1976

- THE SURVEY OF POOLED PENSION FUNDS AS AT 31st DECEMBER 1976 is now available.
• The Survey provides the most comprehensive analysis of investment performance of over 130 pooled pension funds...

PETER JONES (CHINA) LTD. INVEST IN COLLECTORS PLATES. The charming plates feature an embossed patterned rim surrounding a composite which in addition to the main design includes...

THE WOLVERHAMPTON & DUDLEY BREWERIES, LTD. Year to 30th September (£'000) 1976 1975 1974. Turnover 34,857 28,496 19,815. Profit before tax 5,185 4,213 3,425.

Hickson & Welch (HOLDINGS) LIMITED

Group's most successful year. 70% increase in profit

I am pleased to report that our group has had the most successful year since we became a public company in 1951. We reached a pre-tax profit of £7.87m. An achievement in which all concerned can be justifiably proud. This increase of profit of some 70% over last year is particularly noteworthy for our group in the industries in which we operate.

Table with 2 columns: 1976, 1975. Rows: Group profit before taxation, Earnings for ordinary shareholders, Total ordinary dividend.

Table with 2 columns: 1976, 1975. Rows: Investment in new capital, Turnover, Export sales of the U.K. companies.

These extracts are from the 1976 Annual Report and Statement by the Chairman, Dr. T. Harrington. The full version can be obtained from the Secretary, Castletford, West Yorkshire WF10 2JT.

comment

The loan volume, at £4.4m, is much the same as a year ago, but its composition reflects the concentration on the purchase of Bank's clients. Loans are mainly short-term and favour export-related industries and agriculture.

comment

Initial appointments to the Board of Chubb Electronics will be Chairman, Mr. W. E. Randall, managing director, Mr. D. N. Dring, deputy managing director, Mr. K. R. Rankin, financial director, Mr. D. J. Potter, managing director.

Hickson & Welch sees increased profit

HIS annual statement, to shareholders of Hickson & Welch (Holdings), chairman Dr. Harrington, says the company made a better start to the year than it did last time, he again forecasts, that the profit will be higher.

stresses, however, that it would be unrealistic to expect the profit to make the same leap forward, though the excellent results achieved might seem to deny it.

There has been success in building up over the years an independent business where profits are much less dependent on the on, surges, or recession in the economy.

Dr. Harrington expects the higher capital expenditure to lead to somewhat increased borrowings, but he is satisfied that the present financial arrangements are more than adequate to meet the increased demands.

Other reason was that a number of productive capital projects came on stream early in the year to have a significant effect on the production.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or final and the sub-division shown below are based mainly on last year's directors.

TO-DAY
Interests—James Austin Stock Exchange and Central Investments, Graham Investment Trust, Guinness Post, Macarthy's Pharmaceuticals.

FUTURE DATES
Interests—Feb. 11: Christie Pyle, Howard Sherrin, Property Security Investment Trust, Feb. 12: Wiggins Construction, Feb. 13: Albright and Wilson, Feb. 14: General Commercial Investment Trust, Feb. 15: Bure and Millman, Feb. 16: Lonsdale Universal, Feb. 17: Pringle, Feb. 18: Westons, Trade and Signal, Feb. 19: ...

£42.06m. to £54.46m., and profits went ahead from £4.63m. to £7.67m., as reported on January 14 with the £2904p (8.4459p) net dividend.

Increase at Abbey Panels

TURNOVER OF Abbey Panels for the 13 months to September 30, 1976, was £124m., against £114m. for the previous 12 months. Profit rose from £172,051 to £342,087, subject to tax of £282,922, against £184,430. Net profit emerged at £273,883 compared with £188,621.

Stated earnings rose from 9.45p to 13.85p, and the dividend stepped up from 2.5p to 3.25p with a final 1.85p net per 25p share, costing £44,843 (£28,957).

The chairman and his wife, Mr. and Mrs. E. Loades, have waived their rights to the interim dividend and also 50 per cent. of their rights to the proposed final dividend in respect of their own shareholding, totalling 694,800 shares. The joint managing directors, Mr. A. E. Loades and Mr. R. W. Loades, have waived their rights to the interim dividend and the proposed final dividend in respect of a holding of 70,000 shares each.

Hardys & Hansons to expand

CHAIRMAN of brewers, etc. and Hansons, Mr. W. G. ... says that the company hardly assume that current economic circumstances will not begin to bite into their spending power, nor hope for a third successive year to equal the previous year.

Hardys and Hansons profits for the year to October 1, ended by 18 per cent. from £1.5m. and earnings per share were up from 11.52p to 12.5p. Total dividends were up from 5.5p to 6.5p net.

foreign lager bought in bulk. He adds that sales by volume of the company's own beers showed a slightly larger percentage increase than those for the country as a whole.

One new public house was opened during the year, and three further sites have recently been acquired. It is hoped to start work on these, and on two other sites previously acquired, during the current year.

The company is "close" Meeting, Nottingham, February 15 at noon.

Hawthorn Leslie meeting to go ahead

The Board of R. and W. Hawthorn Leslie and Company has confirmed that the annual meeting adjourned from December 14 will be held on March 8. Parliamentary events relating to the Aircraft and Shipbuilding Industries Bill have not, to date, made the position clear but the directors consider they must go ahead with the adjourned meeting as planned.

The annual report for year to June 1976 will be posted by mid February, they add.

Shoes warning on price rises

Shoe Shops, the retail outlet for shoes, has made a steady start to the current year, the chairman, Mr. S. ... ends warns that manufacturers that manufacturing has another hard year to complete the transition and to get back to profit.

also warns that the prospect for the period of 15 per cent. on, with a further 2 per cent. levy on National Insurance, from April makes it clear that shoes must either go up in price through year or be reduced in quantity.

in the consumption of footwear and it was a bad year for manufacturing companies. However, K. Shoe Shops had another record year—for the past 15 years its performance has shown consistent growth.

Stocks increased by 25 per cent. to £10.45m. and the group cash position was £2.4m. worse than the previous year. The chairman explains that these figures were out of line with the 15 per cent. increase in turnover to £39.57m., because corrective action on stocks, followed by an unexpected sales downturn in July, could not be fully effective before the year-end.

Export sales increased by 67 per cent. to £2.27m. Meetings, Kendal, February 17, noon

WINDING-UP ORDERS

Orders for the compulsory winding-up of 45 companies were made by Mr. Justice Oliver in the High Court on Monday. He also rescinded a winding-up order made on January 17 against Bonner and Son after evidence that the company was able to pay its liabilities. The inland revenue, claiming £11,060, was given leave to be substituted as petitioner, and the petition was adjourned for 21 days.

1976 was the eighteenth successful year for the team at Landesbank Rheinland-Pfalz. As the results show.

Following the pattern of the previous seventeen years, the volume of business continued to grow and there was a sizeable surplus.

This ability to maintain progress in difficult times is one reason why our team enjoys the confidence of so many customers, both old and new.

STOP PRESS

Our salient figures at a glance. (Provisional figures from the balance sheet as at 31.12.76)

	In million DM	1976	1975	±
Balance sheet total	17,308	15,772		+9.7
Volume of business	18,054	16,500		+9.4
Liquid assets	4,274	4,025		+6.0
Loans to customers	8,536	7,961		+7.2
Liabilities to credit institutions and other creditors	6,833	6,372		+7.2
Bonds in circulation	7,187	6,624		+8.5
Capital and reserves	309	299		+3.3

The surplus achieved in 1976, after provision for all foreseeable risks, was only marginally below the record result of the previous year.



LANDES BANK RHEINLAND-PFALZ

Ask Rheinland-Pfalz, the "Crossroads bank"

Landesbank Rheinland-Pfalz - Girozentrale - Mainz, Kaiserslautern, Koblenz, Central Institution of the Savings Banks in Rheinland-Pfalz. Grosse Bleiche 34-50, D-5500 Mainz, Telephone (06131) 1011, Telex 4187885.



Dunford & Elliott Group

Buoyant Dunford & Elliott

Message to the shareholders of Dunford & Elliott from the Chairman, Frank Welsh

Reject J.F.B.'s Offers

Your Company is now performing extremely well, and profits so far are better than forecast. The substantial investment in new plant is now paying off handsomely. Our markets have come out of recession and are continuing to be strong.

The enhanced cash flow will increase shareholders' funds and be used to repay borrowings. Your Board is firmly convinced that your Company's prospects will be realised and will provide a sound base for future growth.

JFB's offers for your shares do not reflect the increased earnings. They will lead to lower income. On top of that, if you accepted, you would be faced with subscribing to JFB's intended rights issue.

The employees are opposed to the takeover by JFB which they consider could lead to considerable job losses. They believe that industrial relations would be jeopardised.

Do not throw away your rewards. You have suffered eighteen poor months. This year will be good—the first of many good years. These profits rightly belong to you and you should not surrender them to JFB.

You are strongly recommended by your Board and its financial advisers, Morgan Grenfell & Co. Limited and Grindlay Brandts Limited, to ignore completely the JFB offers for your shares. Your Directors do not intend to accept the JFB offers in respect of their own shares.

If you have already lodged an acceptance form and want advice on how to withdraw, please telephone Mr. Holdway at 01-588 4545.

Frank Welsh
Chairman

The Directors of Dunford & Elliott Ltd. have taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate. All the Directors of Dunford & Elliott Ltd. jointly and severally accept responsibility accordingly.

BIDS AND DEALS

Whitecroft forecasts £4.85m. before tax

The share price of Whitecroft soared 5p to 195p yesterday following the announcement that pre-tax profits for 1976-77 would amount to £4.85m. compared with £3.09m. the previous year...

TAKEOVER TALKS AT CARRS

A £2,250,000 bid could be on the way for Carr's Mining Industries, the four millings to animal feed stuffs group.

West Cumberland Farmers, a Co-operative Society with about 22,000 members, said it had made an approach to the company...

LONDON CITY AND WESTCLIFF

In accordance with the provisions of the trust deed constituting the 61 per cent. Unsecc Loan Stock 1982/88, the Board of Golden Hope...

DUNFORD ABOVE EXPECTATIONS

Coinciding with a sharp 9p jump in Dunford Elliott's share price, the company yesterday attributed to rumours that an alternative bidder to Johnson Firth Brown is in the wings...

GENTING MAY BID FOR GOLDEN HOPE

Genting Highlands, the Malaysian casino and hotel company, which has been in the plan of Harrison and Crossfield for the merger of its three plantation companies...

HESTAIR EXTENDS TO FEBRUARY 3

Hestair has extended its contested offer for hand tools group Spear and Jackson until February 3. The three-for-two share offer by Hestair has so far attracted acceptances of 27.88 per cent...

CASH FLOW

It will be interesting to see whether the BRPF will produce a chain reaction of bids. A significant point is that, with the accent on funding its pension schemes, BRPF now has a very large cash flow of £190m. a year in relation to its total market value of £450m...

RESENTMENT

There was resentment by investment trust managers to this criticism since, in effect, it was aimed at the very essence of their existence. They felt that in most cases utilisation and liquidation was not an effective answer, because after repaying the prior charges on the trusts...

NEWS ANALYSIS - PENSION FUNDS

Milestone on the track

BY CHRISTOPHER HILL

THE BID by the British Rail Pension Funds for Standard Trust, in the Touche Rennehan group, is a milestone in the history of the investment trust industry...

What they had to admit was that their rating in the eyes of individual investors had declined. At one time the individual opted frequently for an investment trust as a preferable alternative to unit trust...

There is also a general feeling that institutions are no longer so keen on investment trusts as a way of getting overseas exposure, having built up their own expertise in overseas markets and present danger to investment trusts. One reason for this is that they might welcome the chance to get asset value on their holdings...

MINING NEWS

Pilbara's poor labour record worries BHP

BY PAUL CHESSEBRIGHT

IN AN indictment of the industrial situation in the iron ore mining areas of Western Australia's Pilbara, the major Australian mining and industrial group, Broken Hill Proprietary, has confirmed the loss of 4m. tonnes of production over the last two months...

AMOK DELAYED AT CLUFF LAKE

The French consortium, Amok, has suspended development work at its Cluff Lake uranium mining and mill project in northern Saskatchewan. It has not received the necessary clearances from the provincial government...

primary gold producers in the Philippines. The Chamber of Mines there has been saying that the mines require a minimum gold price of \$125.00 per ounce to tide them over the decline in the world price which is currently \$134. The country's leading producer is Benguet Consolidated which has been considering a close-down of its loss-making operations.

DENISON EARNS LESS BUT...

DESPITE A fall of 43 per cent on 1975, net income last year at Canada's uranium-producing Denison Mines was still the third highest in the group's history at \$15m. (£8.6m.), equivalent to \$3.20 (1.59) a share. The 1975 figure was a record \$26.5m. or \$5.50 a share.

In their annual statement, the chairman, Mr. Stephen Roman, and the president, Mr. John Kostuk, attribute last year's decline to severe labour problems at the Elliot Lake uranium properties, lower scheduled uranium deliveries than in 1975, increasingly stringent environmental regulations, higher oil and gas exploration expenditure in offshore Greece and Spain, and start-up problems at the pre-heater kiln system of Lake Ontario.

BH SOUTH SEES DIVIDENDS

Australia's BH South says that it expects to resume paying dividends in September, thus confirming the chairman's forecast in November last year. He added that there should be a move from losses to profits in the current year to next June which could bring the group close to a break-even position for the year. The last dividend was 13 cents for 1974.

The latest comment comes with the details of the already announced \$19.75m. (£12.5m.) four-for-five rights issue of new shares at 30 cents. The new premium, in London yesterday, BH South were 94p cum-premium.

DIAMOND SHAMROCK ACQUISITION

Diamond Shamrock (Polymers), a subsidiary of the Diamond Shamrock Corporation (Cleveland, Ohio, U.S.), has taken over the Zerolit ion exchange resin business formerly carried on by Portals Water Treatment. This change, effective from January 17, 1977, follows the announcement on October 13, 1976 that agreement in principle had been reached. The acquisition will not be referred to the Monopolies and Mergers Commission.

ROUND-UP

Despite last year's international steel recession, Australia's 1976 coal exports rose 4.2m. tons to a record 34.1m. tons. Coal production in New South Wales was 11 per cent up at a record 44.7m. tons while the state's exports gained 3 per cent, to 14.9m. tons. Exports from the Queensland mines increased from 15.4m. tons to a peak of 19.2m. tons.

MINING BRIEFS

Production at the West Coast Mines was affected by reduced level of operations during the holiday period December 24-26 to January 10, 1977. Necessary maintenance work was undertaken during this time.

DAVENPORTS BREWERY

Mr. J. G. Swanson the chairman of Davenport's Brewery (Holdings) told members at the AGM during the holiday period December 24-26 to January 10, 1977. Necessary maintenance work was undertaken during this time.

BOUGAINVILLE'S 1976 OUTPUT

Despite a fall in production in the December quarter to 42,000 tonnes of contained copper and concentrates, the Rio Tinto-Zinc group's Bougainville mine in Papua New Guinea has done better over the full year. The December quarter's production figures bring the total of ore milled to 31,23m. tonnes and the contained copper output to 176,919 tonnes. The respective total for 1976 were 31.6m. tonnes and 172,477 tonnes. During the past year the average gold grade of the ore was just under 0.8 grams per tonne compared with 0.8 grams in 1975. Bougainville's profits for the next year are due next month. The half-year results showed net earnings of \$12.25m. compared with \$11.9m. in the first six months of 1975 and an unchanged interim of \$1.2m. RTZ's 72.6 per cent-owned

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RECENT ISSUES EQUITIES Table with columns for Issue Name, Amount, Date, etc.

FIXED INTEREST STOCKS Table with columns for Issue Name, Amount, Date, etc.

"RIGHTS" OFFERS Table with columns for Issue Name, Amount, Date, etc.

Midland Bank Base Rate Midland Bank Limited announces that with effect from January 26th 1977, its Base Rate will be 13%, and that its Deposit Rate on amounts lodged at its branches subject to 7 days notice of withdrawal will be 9 1/2% on balances of all amounts.

Standard Chartered Tuesday, January 25th the following annual rates will apply Base rate 13% Deposit rate 9 1/2%

L.B.I. Base Rate Lloyds Bank International Limited announces that, with effect from 26th January, 1977, its Base Rate, applicable to all its U.K. branches, is reduced from 14% to 13%. The rate of interest allowed on seven-day notice deposits will be 9 1/2%.

Coutts & Co. announce that, for balances in their books on and after the 26th January 1977 and until further notice their Base Rate for lending is 13% per annum. The Deposit Rate on all monies subject to seven days' notice of withdrawal is 9 1/2% per annum.

The Royal Bank of Scotland INTEREST RATES The Royal Bank of Scotland Limited announces that with effect from 26th January, 1977, its Base Rate for lending is being reduced from 14% per annum to 13% per annum. The maximum rate of interest allowed on deposits lodged for a minimum period of seven days or subject to seven days' notice of withdrawal at the London Office of the Bank will be reduced to 9 1/2% per annum.

Barclays Bank Base Rate. Barclays Bank Limited and Barclays Bank International Limited announce that with effect from the close of business on 25th January, 1977, their Base Rate was decreased from 14% to 13% per annum. The basic interest rate for deposits was decreased by 1 1/2% from 11% to 9 1/2% per annum.

Handwritten Arabic text at the bottom of the page.

INTERNATIONAL AND COMPANY NEWS

AMERICAN COMPANIES

Exxon reports final quarter gain

EXXON CORP. has reported net profits for the fourth quarter of 1976 of \$1.43 a share against \$1.22 in the same quarter last year. Revenue was \$14.2bn, compared with \$12.8bn in the same quarter last year. This brings annual net profits for the year to \$5.90 a share against \$5.60 a share on revenues of \$52.7bn, against \$49.2bn in 1976. The 1976 earnings per share have been restated to reflect the one-for-one stock split of July 1976. Capital and exploration expenses totalled \$5.06bn in 1976, 42 per cent from 1975. Mr C. G. Cavitt, chairman, commented that Exxon's capital and exploration expenses in 1976 were about twice estimated earnings. The 1976 estimated net income is said to represent a return on older's equity of 14.3 per cent, compared with 15.3 per cent in 1975. Earnings before interest and financial charges were put up 23 per cent to \$2.57bn, represented a return of 32 per cent on the corporation's capital employed in the form of debt and equity compared with 24 per cent in 1975.

Au Printemps embarks on profit revival plan

PARIS, Jan. 25. THE GIANT—or, more unkindly, the leviathan—of the French retail industry, the Au Printemps group, has embarked on a new phase in its year struggle to regain profitability. The Frs.30bn a year group, its 360 outlets and 22,000 employees, is majority controlled by Swiss group, Maus. M. Escalante is vice-president and managing director of the group. The group followed up a 50 per cent consolidation in 1976 with a 1977 consolidation of about Frs.40-Frs.50m. It is attributed to continuing problems in the hypermarket chain and disappointing results in other management sites. He has regrouped the Escalante hypermarket chain in partnership with the Euromarche group and has attempted to simplify the legal complexity of company structure. The next big push is understood to be to pull round the Prinsente operation. A further deficit is forecast for 1977.

Problems at Phoenix-Gummi

FRANKFURT, Jan. 25. PHOENIX-GUMMI shareholders' 1976 report is dark about their (DM7.90m) and 1977's DM2.3m. Measured against the DM7.90m reported in 1976, the earnings look fairly thin. Dr Peter Weiland, chairman of the Phoenix-Gummi executive board, today reported that group last year showed small increase on 1975's DM6.0m. It rose to DM7.9m in 1976. The sales of technical rubber products went up by 10 per cent, while shoe-making operations also more than held their own against stiff competition from imports.

Dutch merger legislation

AMSTERDAM, Jan. 25. DUTCH government's most equal representations of Dutch control of "great importance." However, in the SER advice sent to the ministers some disagreements remained, despite approval of the outlines of merger control. For example, employers will want legislation only to cover enterprises who after the merger will have at least 5,000 employees and in addition, the smallest of the enterprise to be merged to have at least 500 employees and sales of at least Fls.100m. The unions feel that mergers should already be subject to Government consent in the smallest enterprise involved has at least 100 employees and a turnover of Fls.20m.

IBM dividend up

NEW YORK, Jan. 25. INTERNATIONAL BUSINESS MACHINES announced today that it has increased its quarterly dividend to \$2.51 from \$2.25.

Table with financial data for BURLINGTON INDUSTRIES, UNION PACIFIC CORPN., and WEYERHAEUSER CO. Columns include Revenue, Profits, Per share, and Share dil.

Profits growth at BFG

FRANKFURT, Jan. 25. THE BANK FOR SOCIAL INVESTMENT, which is owned by the West German trade unions, today reported a substantial increase in both balance sheet total and profits for 1976. The total assets of the parent bank rose even more strongly than in 1975, while the figure for the group itself is likely to be up by about 14.5 per cent, rather less than the 15.5 per cent growth rate of the previous year. Dr Walter Hesselbach, chairman of the BFG's executive board, announced that the bank's balance sheet total rose by over 16 per cent to DM26bn. (US\$13.5bn). The group's balance sheet total, he said, was expected to reach something above DM40bn (US\$20bn).

Enskilda bank earnings rise

STOCKHOLM, Jan. 25. SKANDINAVISKA ENSKILDA Banken, Sweden's largest private commercial bank, reports a 20 per cent increase in earnings after depreciation but before extraordinary items and allocations for 1976. The increase is proposed to raise the shareholders' dividend by Kr.1 to Kr.16 a share. The preliminary report for 1976 shows earnings of Kr.599m (US\$22m), an increase of just over Kr.100m, compared with 1975. Income rose by 15.8 per cent, or Kr.213m, to Kr.1,566m, while costs including depreciation and unrealised currency losses increased by 13.3 per cent to Kr.965m.

Advertisement for Banque Canadienne Nationale, Wood Gundy Limited, and Union Bank of Switzerland (Securities) Limited. Includes details on deposit notes and interest rates.

Large advertisement for Sumitomo Heavy Industries, Ltd. featuring a grid of international bank branches and services. Includes the Sumitomo Bank, Limited logo and contact information.

Advertisement for Lloyds Bank Base Rate, featuring a horse logo and text about interest rate reductions for lending and deposits.

Advertisement for Williams & Glyn's, announcing rate changes for Wednesday, Jan. 26th, including base rate, deposit rate, and savings account rates.

Advertisement for Hill Samuel Base Rate, featuring a horse logo and text about interest rate reductions for lending and deposits.

Advertisement for National Westminster Bank, announcing rate changes and savings account details.

Advertisement for Bank of Scotland Base Rate, featuring a horse logo and text about interest rate reductions for lending and deposits.

FINANCIAL TIMES REPORT

Wednesday January 26 1977

Isle of Man

The Isle of Man has put to good advantage its unique political and economic status. Careful avoidance of known pitfalls has produced a sound and flourishing financial sector, backed by tourism and other industry.

Fine sense of balance

By Colin Inman

THE JOURNEY from London to the Isle of Man in the middle of winter is likely to stir up all one's prejudices about the place. The trip involves changing air-craft at Liverpool on to an ageing Viscount, which bounces its way into Ronaldsway Airport in the teeth of a wind that one pilot described as having come on an uninterrupted journey from the polar ice cap. During the flight one comes to believe the popular mainland view of the island; that, stuck in the middle of the Irish Sea, it is a cold and inhospitable place; that its financiers will be busy counting their money and looking for the next fast buck; and that it is populated by ex-colonialists and others of right-wing persuasion, people anxious to remain in the British Isles while dissociating themselves as far as possible from the ailing U.K. economy. Around 500,000 visitors arrive in the Isle of Man each summer season, a number that does not overstrain the island's capacity to house and entertain them.

None of these preconceptions is without truth, but the face the island presents is a sunnier one in all senses than I had been led to expect. The pace of life is relaxed. Many people are proud of their independence, while still recognising the need for close links with the U.K. They live amid some spectacular scenery in a physical climate that is healthy rather than hot and an economic climate that is healthier than that of the U.K., which is conveniently situated just across the water.

Fairly conveniently anyway. The island's sea links with what I hesitate to call the mainland are adequate, the air service less so. There are few direct flights to the island in winter, and the air fare—£42 return London to Douglas—is a source of great concern. Talks with the airlines have so far failed to make much headway, and the island suffers the additional disadvantage that its air services connect with Liverpool rather than Manchester. The latter links into the international air network, the former does not.

Priority

Solving this problem is a major priority because efficient communications are essential to both tourism and the financial sector, particularly since during recent years the tourist industry has failed to make the sort of adequate investment. Around 500,000 visitors arrive in the Isle of Man each summer season, a number that does not overstrain the island's capacity to house and entertain them.

And the physical attractions are considerable; a range of scenery that within a few miles can make you imagine you are visiting the Cornish coast, the Lake District, the Yorkshire moors or the Scottish Highlands. To say nothing of adequate sandy beaches, pleasant fishing villages and a great splendour of Georgian and Victorian seaside architecture, much beloved of the Poet Laureate. It is a matter of regret to the Tourist Board that most visitors only see what the island has to offer from the windows of an excursion coach.

The profitability of the tourist industry is closely linked to the matter that has most exercised Manxmen over the past year: the Common Purse arrangement with the U.K. Renegotiation of this deal might mean that the Government would be free to set its own level of consumer sales tax, thus freeing the tourist and service sector from VAT. Lower customs duties on alcohol and tobacco might also result, and would boost the tourist trade, though by how much is a matter for speculation.

A recent report on the economics of abandoning the Common Purse arrangement, prepared by PA Management Associates, suggests that such a move would be profitable, but the report has come in for some criticism in the island, and Tynwald, the island parliament, whose members were newly elected last November, seems unlikely to do anything precipitate. Among the factors to be considered is that abandoning the present arrangement, which provides about half the Treasury

THE COMMON PURSE

THE MAIN issue during campaigning before the General Election in the Isle of Man, held last November, was whether or not to abandon the "Common Purse" agreement with the U.K. Under this 19th century arrangement the levels of customs and excise duties and VAT are the same as in the U.K. and are collected by the British Board of Customs and Excise. The island's share, worked out on the basis of a weighted population figure to allow for visitors to the island, is then refunded. In 1976-77 this will bring in around £15m., or 50 per cent. of total Treasury revenue. A report commissioned by the Government and published last year recommended that the island abandon the agreement and set its own levels of duty. Cheaper drink and tobacco would attract more tourists and relieving the tourism sector of the burden of VAT would allow it to make the profits necessary for much needed modernisation and expansion. Publication of the report, which received a mixed reception from the various sectors of the island's economy, was well timed for the issue to become the main election issue. Just over half of the 71 candidates for the 24 seats in the House of Keys appeared to be in favour of altering the CPA. But as the election results came in it became apparent that voters had effectively rejected many of the report's proposals and that the new House of Keys would not take any precipitate steps without more information and fuller discussion. A select committee is likely to be appointed to investigate the matter. In the end some renegotiation of the CPA is probable, but abandoning the agreement totally is unlikely. In the 18th century the Isle of Man was known as a nation of smugglers. Manxmen seem to be in no hurry for the same thing to happen again.

revenue, would create a customs barrier between the Isle of Man and the U.K. What, then, if the U.K. authorities decided that it would be uneconomic to operate such a system at some of the connecting ports? (The Isle of Man has regular sea links with Liverpool, Fleetwood, Arrolson and Llandudno, as well as Belfast and Dublin.) The island's industrial sector is naturally unhappy at the prospect of long delays for its goods, which would have to undergo U.K. Customs examination. And although industry's share in the Manx income has declined during recent years, as that of

the financial sector has grown, an efficient industrial sector is bound to be essential to the balanced economy that the island needs to maintain. And although manufacturing's proportion of revenue has fallen, the industry has grown steadily in size for the past five years, and a generous range of investment incentives is available for suitable and environmentally acceptable new industry, preferably with high added value output. But more attention needs to be paid to training, and the island's export marketing also needs developing. It is the financial sector, now

the largest sector of the economy at around 25 per cent. of national income, that is most disposed to alter the current relationship with the U.K. The PA report, which makes a lot of "political judgments" in what is supposed to be an economic assessment, points out, in referring to the need of island business to make VAT returns, that business records are stored in a computer at Southend under U.K. supervision and remarks that "No financial centres can in the longer term afford to have only financial records of banking and insurance institutions supervised by agents of a foreign government." The report believes that this has made it more difficult to attract foreign funds. By any standards this is a provocative point of view, and it says much for the common sense of the Manxman (who has a reputation for being unenthusiastic about change) that no one I met was prepared to say more than that some renegotiation of the Common Purse is needed.

Envious

Although there are those who cast envious eyes at the financial activities of the Channel Islands—whose transport links with the U.K. are also much better—and who would like to see the island's financial centre growing rather faster, there is much to be said for the more measured pace that the Isle of Man has adopted or been forced to adopt. The island has avoided the worst effects of the tax haven boom in the Caribbean in the early 1970s, and there has as yet been no need

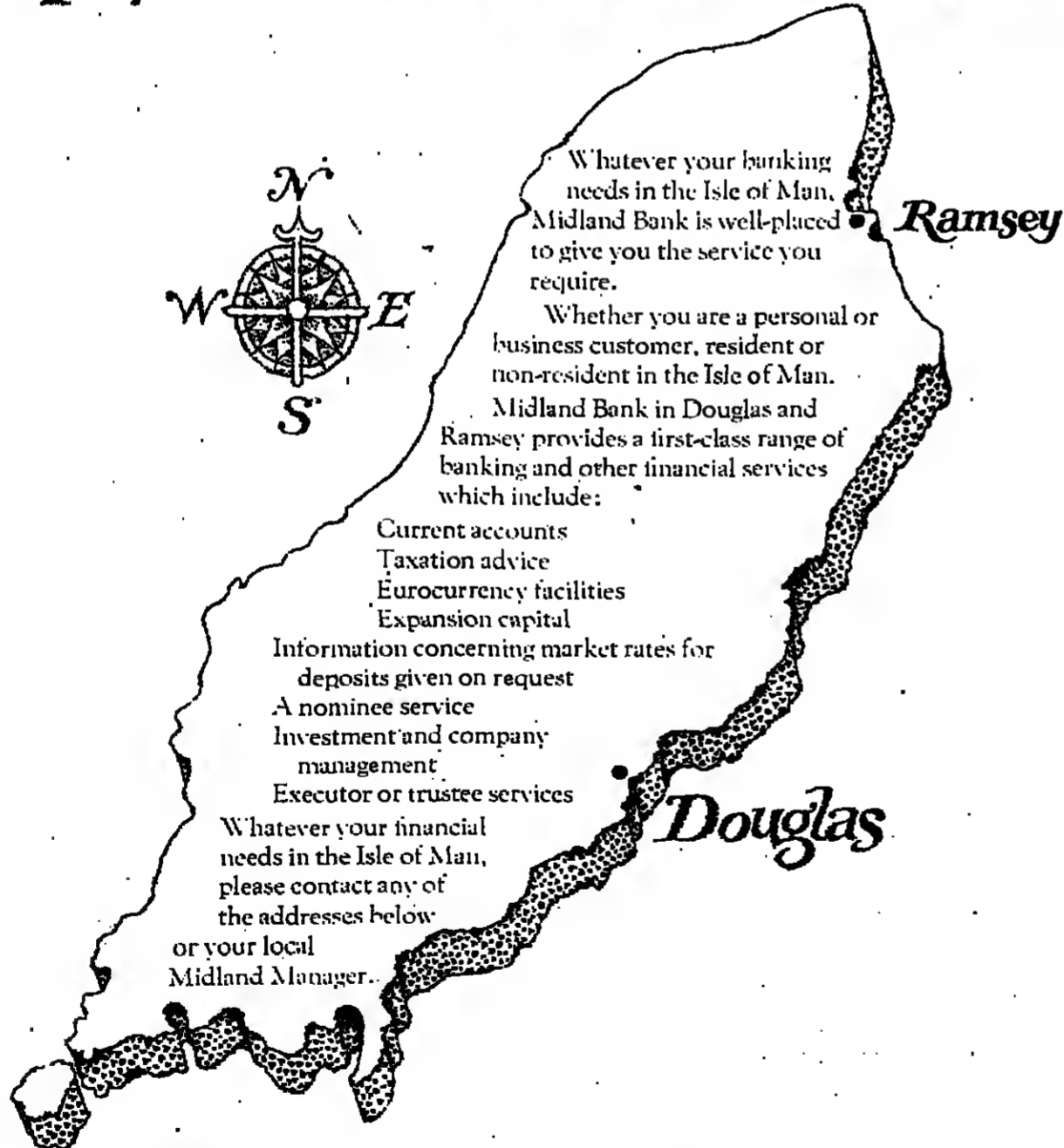
to subject immigrants to a financial premium, as in Jersey, or Act 1967, banning pirate radio stations, was a particular cause of annoyance—and that Whitehall often fails to consult the island Government on international matters. The U.K.'s view on this latter point is that it would not wish to suggest that there is an option open to the island which does not in practice exist.

Deterrent

Embarrassments do, of course, occur. One is the island's barbaric habit of birching juvenile offenders. The islanders, I was assured, are 90 per cent in favour of retaining the birch and most of them are convinced that its deterrent effect is responsible for the island's low crime rate—not that there are any statistics available to prove this one way or the other. The issue, a three-cornered debate between the island, Westminster and the European Parliament, seems to be passing through a number of true British compromises, and no doubt a solution will eventually be found.

But this is a matter that should not be allowed to cloud more serious issues. Operation of a tax haven within the British Isles, particularly in difficult economic times, calls for a delicate balancing act if it is to remain acceptable to a Labour administration in the U.K., while at the same time attracting the necessary financial business from the U.K. and overseas. So far the Isle of Man seems to have kept its balance.

Midland Bank Group can help you in the Isle of Man



Midland Bank

Midland Bank Group in the Isle of Man includes:

Midland Bank Limited, PO Box 20
10 Victoria Street, Douglas, Isle of Man
Telephone: Douglas 23051/3
Manager: J. P. Boyd
Assistant Manager: A. Elliot

Midland Bank Limited
St. Paul's Square, Ramsey
Isle of Man
Telephone: Ramsey 814000
Manager: S. T. Sille

Midland Bank Trust Corporation
(Isle of Man) Limited
PO Box 39, 10 Victoria Street, Douglas
Isle of Man. Telephone: Douglas 23118/9
Telex: 628037
Director & General Manager: D. G. Foster
Manager: G. R. Thompson

ISLE OF MAN GOVERNMENT

SCHEMES OF FINANCIAL ASSISTANCE FOR TOURIST ACCOMMODATION

SCOPE

Financial assistance can be made available for the construction of new tourist premises, including hotels, motels, guest houses, service flats and self-catering units, providing accommodation to a high standard.

MAXIMUM ASSISTANCE

- (a) 40% GRANT of the total cost.
 - (b) Long term Loans of up to 50% of the remaining cost.
 - (c) Interest-free initial period on loans.
- Assistance is also available by way of grants and/or low-interest loans for extension and modernisation of existing tourist premises.

FURTHER INFORMATION

The Secretary
Isle of Man Local Government Board
Government Offices
Buck's Road
DOUGLAS
Isle of Man

Telephone DOUGLAS (0624) 26262 ext. 2413

ISLE OF MAN POST OFFICE AUTHORITY

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For information on these, subsequent issues for 1977 and our other philatelic services, please write to the above address.

INFORMATION PACKAGE on the promotion of INDUSTRIAL DEVELOPMENT.

The Government of the Isle of Man is committed to industrial development. Its development criteria are enlightened, and its discretionary systems of financial support for approved manufacturing projects are extremely effective in encouraging new investment. Full details are set out in a specially prepared information package.

Contact:
The Industrial Office, Buck's Road
DOUGLAS, ISLE OF MAN
Tel. 26262; ext. 2400/1

Which Isle of Man will you come and see?



FREE 112 page colour Holiday Book.
To: K.B. Bond, Director of Tourism, Douglas, Isle of Man. Please send me my free colour holiday book.
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ISLE OF MAN II

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The tougher things are, the more business, trade and industry turn to us for solutions to problems of insurance. As a result, The Bowring Broking Group is currently placing premiums in excess of £500,000,000.

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DIRECTOR & MANAGER — MR. LESLIE DOHERTY. A Member of The Bowring Group of Companies

Ken Cowley

THE ISLE of Man is real ale country. By law only pure malt, hops, sugar and water can be used to produce a Manx beer. There are two breweries from which to choose—the Heron and Brearley Group and Castletown Brewery.

The Chairman of the Heron and Brearley Group, which includes Okell's Brewery, is Mr. Ken Cowley. A true Manxman, he is proud of the part his Group has played in developing not only the local brewing industry but tourism generally.

The group's brewing interests date back to 1857. It owns and controls over 70 pubs, is the biggest hotel group, and employs over 500 people, making it one of the largest employers on the Island. The H. and B. Group produces draught bitter and mild, a pale ale, nut brown and a strong ale. It is sole agent on the island for Guinness, Bass, Bulmers Cider and several other well-known labels.

Ken Cowley's son John is Manager and Director at Okell's Brewery and a recent addition to the main Board was Manxman Sir Douglas Clague.

There is no potential for export of Okell's ales, and the group's interests are tied largely to the future of the Manx tourist industry. "There is a need," says Ken Cowley, "for the Government to put more money into our tourist industry, including some improved grants for hoteliers." Probably, more than anyone else on the island he is conscious of the overall problems facing the tourist industry.

Although the Island's traditional market is the North of England and Scotland, "we have," he says, "to make every effort to attract people south of Birmingham: people who in many cases don't even know how to get here."

Two of the biggest attractions every year are the TT races and the Manx Grand Prix, and in the past he has been an active organiser and promoter of these events.

The waters around the island provide good fishing grounds and Mr. Cowley is a keen golfer and angler. "Last year was good but the big ones," he says, "seem to be smaller, or perhaps it is just that the fishing stories are a little more honest."

Mr. Cowley is also a director of the Isle of Man Steam Packet Company, and the Royal's local subsidiary Tourist Insurance. He is Deputy President of the Isle of Man Red Cross Society.

Robert Eason

SIR WALTER SCOTT once said "a lawyer without history or literature is a mechanic, a mere working mason; if he possesses some knowledge of these, he may venture to call himself an architect."

Sir Walter would no doubt have called the First Deemster of the Isle of Man, His Honour Robert Kinley Eason, an architect. A Deemster is basically the equivalent to an English High Court Judge. The Isle of Man has the world's only two Deemsters. Appointed by Her Majesty's Warrant, each has equal jurisdiction throughout the Island.

As a pupil of Douglas High School and King William's College, Deemster Eason started his legal career at Dickinson and Cruikshank and Co. in 1930, having obtained an LL.B. degree at London University and been called to the Bar at Gray's Inn in 1929. He served the Island as High Bailiff and Chief Magistrate from 1961 to 1969 when he became Her Majesty's Second Deemster. In 1974 he was appointed to his present position as First Deemster and Clerk of the Rolls, and to the office which accompanies it, namely that of Deputy Governor of the Isle of Man.

Manx Law basically follows the Common Law of the U.K. Although a substantial part of U.K. legislation is followed on the Island, there are many English statutes such as the Abortion Act of 1967 and the present U.K. Homicide Act of 1957 which the island has not followed.

The Deemsters between them cover the Chancery Division, Common Law, Divorce and all other branches of the law arising within the Isle of Man.

No doubt one of the highlights of each year is Deemster Eason's duty on Tynwald Day when the Island's laws which have been passed during the last year are promulgated, and which he reads in the Manx dialect at this annual open-air ceremony dating back to the 11th-century.

In spite of his strenuous duties at the top of the Manx legal tree, Deemster Eason is also active as President of the Isle of Man Anti-Cancer Association, and is Chairman of the Trustees of Cunningham House Scout and Guide Headquarters. Deemster Eason says that he is confident that as the island's economy has changed so the law involved has increased so as to cope with the modern climate of opinion. This has also increased the amount of work for the Manx Courts.

As well as being the island's leading stockbroker, Mr. Stott is involved in insurance, hotels, travel agents and many other local businesses. He is Chairman of Manx Overseas Investment Trust, a local industrial conglomerate, and a director of Barclay Unicorn International Isle of Man and of Sun Alliance I.O.M. He is credited with initiating, some years ago, the first of many Manx-based unit trusts.

However, more recently some of his enthusiasm has been diverted to mineral exploration. There have been all sorts of clever tricks and evasions worked out to try to defeat the U.K. Inland Revenue authorities. No doubt some have succeeded but the majority have been traced and either stopped or prosecuted.

Last year the Bank of England suddenly issued, with restricted circulation, a list of companies and individuals who were excluded from any exchange control dealings on the island. Evidently, somebody had been playing with the dollar premium and had found, so they thought, an endless source of free money.

Finance and banking is new to the island; it is contributing 25 per cent of the gross national income and the change from a merely local banking service has been made too rapidly for many local people to understand its significance. Many will continue to view the finance industry with suspicion until the industry's value to the island is explained in simple terms.



Ken Cowley Robert Eason Dursley Stott Percy Radcliffe Sir John Paul

In 1959 he ran in the Empire and Commonwealth Games. He took a law degree at Cambridge. When he returned to the Isle of Man in 1959 there were none of his former schoolmates around and little employment available for young Manxmen, but he was fortunate to be able to fulfil a long-standing ambition and join the family stockbroking business.

Although he does not fit the name of his own cricket team, the "Swashbucklers," which performs by invitation, one gets the impression that he has still a lot to do and a long way to go.

Percy Radcliffe

UNTIL ten years ago Mr. Percy Radcliffe was a man of the land. With his recent appointment as Chairman of the Isle of Man Finance Board, to-day he is probably the most powerful politician on the island. His political career started in 1963 and for the past ten years he was Chairman of the Local Government Board, the authority which controls all planning and building development.

"I am a supporter of private enterprise," he says, "and believe in encouraging people to make a profit."

The island should expect no immediate changes, but the next few years will no doubt produce

Sir John Paul

THE QUEEN is the Lord of Man and her representative on

the Island is Sir John Paul, G.C.M.G., O.B.E., M.C. As a former Governor and Governor-General of the Gambia and the Bahamas, and Governor of British-Honduras, his duties in the Isle of Man are somewhat different.

As Lieutenant Governor he is the channel of communication between the Home Office and the Isle of Man Government. He is responsible for the good government of the island, and in particular for external affairs, defence and security. He sits on the Executive Council and presides over the oldest continuous parliament in the world, the Court of Tynwald.

Sir John feels that the island's present economic policy points in the right direction and that politically the island is well placed. "It is important," he stresses, "to maintain a sensible relationship with the U.K. Government. However, there is a tendency to follow the U.K. Government too closely."

One of the phenomena of Manx life is the amount of money, running into hundreds of thousands of pounds, raised each year for charity. Although each new Governor and his wife choose the time they have to devote to charitable work during their stay, since their arrival three years ago Sir John and Lady Paul's level of involvement with community affairs has been outstanding. There is undoubtedly a wider cross-section of people who have visited Government House or attended a reception there than has been apparent for many years.

"It is remarkable," Sir John said, when asked about his and particularly Lady Paul's active role in the community, "the variety of organisations and clubs there are here." Each year Sir John and Lady Paul attend a huge number of functions.

With two years left of his five-year term, His Excellency and Lady Paul will be much missed when it is time for them to return to their home in Hampshire.

Ken Cowley

Mr. Ken Cowley is a true Manxman, proud of the part his Group has played in developing not only the local brewing industry but tourism generally.

Mr. Stott is involved in insurance, hotels, travel agents and many other local businesses. He is Chairman of Manx Overseas Investment Trust, a local industrial conglomerate, and a director of Barclay Unicorn International Isle of Man and of Sun Alliance I.O.M. He is credited with initiating, some years ago, the first of many Manx-based unit trusts.

Dursley Stott

AROUND THE year 1900 the Isle of Man was fortunate to have men, few of them Manxmen, who had the vision, determination, money and flair to create the harbour facilities at Douglas, the Loch Promenade, and many other big projects. Projects which put the Isle of Man's tourist industry ahead of most other areas in the British Isles.

At 41, Dursley Stott is too young to have been involved, but his grandfather built one of the main hotel blocks on Queens Promenade and was one of the founders of the Palace Company, which for years dominated the local entertainment industry.

As well as being the island's leading stockbroker, Mr. Stott is involved in insurance, hotels, travel agents and many other local businesses. He is Chairman of Manx Overseas Investment Trust, a local industrial conglomerate, and a director of Barclay Unicorn International Isle of Man and of Sun Alliance I.O.M. He is credited with initiating, some years ago, the first of many Manx-based unit trusts.

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Financial activities

THE ISLE of Man was a late starter in the offshore island game but with deposits of £230-£250m., or about a quarter of those in Jersey, it is probably the most soundly based of all the low tax areas within the sterling area, having learnt from the experience of others.

The finance, banking and insurance sector provides over 25 per cent of the Manx gross national income. It is the largest sector of the economy and has the greatest potential to provide for the future expansion of the island's economy.

However, it is important that other sectors of the Manx economy grow in relation to the finance and banking sector. If they do not the island's economy would be vulnerable because it had become too dependent on banking and finance.

For some time the Manx Government has been and still is trying to demonstrate to the world not only that it is politically stable but that its finance industry is sound.

The declared policy of the Manx Government is to deter wherever possible any unscrupulous operator who might try to use the island. The fact that there are still some around is because legislation is still not tight enough. Government is constantly reviewing the legislation of direct consequence to the financial sector.

Over the past few years the island's financial services have improved to a stage where there is no need, in most cases, to refer business to London for advice. It can be obtained locally. Barclaytrust, Midland, Isle of Man Bank and some of the other clearers have locally incorporated trust companies which are handling sizeable business. Banking services are similar to those in the U.K. The Isle of Man Bank, an autonomous Network subsidiary, handles the biggest share of the local business, and as yet the only bank with "over the counter" service and strictly no U.K. connections is the small Savings and Investment Bank, which has two branches.

The two long-standing Manx stockbroking firms, R. L. Stott and Ramsey Crookall pride themselves on their personal service and have expert knowledge in relation to securities which offer tax advantages to local residents. Dursley Stott, senior partner of R. L. Stott, states that "we use all modern aids and in addition to London

can use any of the provincial exchanges." Probably the largest market is in the 46 British Government gilts, which are free of all U.K. tax to establish non-U.K. residents on application. Also certain Irish Government gilts pay interest gross automatically.

An indication that there is a substantial local market in gilts was the introduction last year by King and Shaxson of its Manx based gilt-edged fund.

Recently, the first North American banking institution to be incorporated in the Isle of Man was formed by the Royal Trust Company of Montreal, Canada's largest trust corporation. The company has unlimited liability and its Managing Director, Andrew Hall, is confident that the volume of business generated both locally and through the island will increase steadily. Although no announcement has yet been made, the next non-British bank to open a local subsidiary is believed to be the Allied-Irish Bank.

Some people have preconceived ideas about offshore islands such as the Isle of Man. Exchange control is the same as the U.K. There is no magic to the advantages offered to non-residents, and the external accounts which come in from outside the sterling area.

Unlike Jersey, and contrary to popular belief in the U.K., the new resident has no entry restrictions, but must become an established non-U.K. resident if that is where he has moved from. Establishing residency is or appears to be, a matter of varying opinions. Each individual should find out from a Manx source before making any plans to move to the island. Most advisers are instructing their clients not to return to the U.K. for at least one year after moving to the island. Some even go as far as advising a new resident to buy his space in the cemetery, presumably to confirm his ultimate intentions.

Tricks

If you legitimately want to opt out of the U.K. and settle, together with your family, in the Isle of Man then there should be no reason to prevent you from doing so. However, if you want to use the island as an address of convenience forget the idea.

There have been all sorts of clever tricks and evasions worked out to try to defeat the U.K. Inland Revenue authorities. No doubt some have succeeded but the majority have been traced and either stopped or prosecuted.

Last year the Bank of England suddenly issued, with restricted circulation, a list of companies and individuals who were excluded from any exchange control dealings on the island. Evidently, somebody had been playing with the dollar premium and had found, so they thought, an endless source of free money.

Finance and banking is new to the island; it is contributing 25 per cent of the gross national income and the change from a merely local banking service has been made too rapidly for many local people to understand its significance. Many will continue to view the finance industry with suspicion until the industry's value to the island is explained in simple terms.

The growth of the Manx finance industry continues although over the next decade it is not expected to produce any miraculous surges. But at least there is now a sound base from which to extend existing legislation, particularly the Company Act, thus closing the loopholes which tend to invite undesirables.

David North

"It's reassuring to know my financial business is so efficiently handled... I get full banking service, of course, and the staff are always so helpful!" "You must be talking about the Isle of Man Bank, Jones!"



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ISLE of MAN COURIER

1974 9,200* 1975 10,600* 1976 12,330 ABC. * Approximate average circulation figures. If you want to project to the Isle of Man you must use the Isle of Man Courier. The Manx newspaper with a guaranteed ABC circulation. Full details contact: Paul Gaskell Advertisement Director Tel: 0624 23451

CLUCAS LAUNDRY (1946) LIMITED Tromode, Douglas, Isle of Man OFFER LAND FOR INDUSTRIAL DEVELOPMENT	CHRYSAL BROTHERS & STOTT Established 1854 Chartered Surveyors and Estate Agents OFFICES Bowring Road, Ramsey, Isle of Man. Tel: (S.T.D. 0624) 872236 (3 lines) Exchange House, Athol Street, Douglas, Isle of Man. Tel: (S.T.D. 0624) 23778 (3 lines) 14 Station Road, Port Erin, Isle of Man. Tel: (S.T.D. 0624) 833903 (2 lines)
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ISLE OF MAN III

The island economy

INDUSTRY

THEY were aware of the years. Many of the UK's industrial entrepreneurs would regard the Isle of Man as a haven of normality. It is one drawback. You go to manufacture the right product. The incentives offered to industrialists are some of the most advantageous in Europe. The island's main competitor is Eire. Of all the British home islands, only the Isle of Man has land available to be used for an enlarged manufacturing sector without taking valuable agricultural land. Manufacturing is estimated to be about 17 per cent of the island's gross national income. In the 1950s it was the start of an upsurge in industrial growth. As industrial manufacturers to the island industry they not only helped to prop up ailing Manx economy.

Dominant

Light engineering is the dominant feature of Manx industry. The Dowry Group has a subsidiary, Homan Engineering. Davies-Charlton produces model aero engines; Marown Engineering and subsidiary Kenmac Controls established itself as a specialist in the manufacture of equipment for gas and fluid control. The latter company, headed by Walter Kendall in 1950, is one of the success stories of recent years. The benefits offered to both companies and existing manufacturing operations include investment grants of up to 10 per cent of the cost of new buildings, new plant and machinery, 40 per cent grants for commissioning, and 10 per cent grants for remaining expenditure, and grants of up to 50 per cent of working capital with deferred interest repayments for two years.

Transport

TRANSPORT IS one of the Isle of Man's big problems. Efficient and reasonably priced communications, particularly with the U.K., are vital if the tourist industry is to be able to compete with mainland resorts, as well as to the growing financial and industrial sectors. But at present all is not as the islanders would like it.

Where cost is concerned the Isle of Man is having to suffer the rising prices that have affected all forms of transport throughout the world. The return air fare Douglas-London at £42 seems expensive, but it is not out of line with those, for instance, to the Channel Islands, although it compares very badly with holiday charters such as those from Scandinavia.

What annoys the islander is the infrequency of the service and its inconvenience. Most British Airways flights connect with Liverpool, and London passengers generally have to suffer a tedious delay while changing aircraft. The excellent service operated to the Channel Islands is looked upon with envy, particularly since it is easy for the London businessman to make the round trip in a day. This is just possible to (and from) the Isle of Man, but it does not leave much time in between.

In their efforts to persuade the airlines to improve the service Manxmen point to the fact that the aircraft are almost always full. So far the airlines have not shown any inclination to do much about either services or prices, and discussions between the Airports Board and the airlines have not yet borne fruit. Any prospective visitor would do well to spend a few minutes with the airline brochures and a pocket calculator to work out the most convenient route and lowest price. Many people, for example, find it convenient to drive to Blackpool and take the 30 minute British Island Airways flight to the island.

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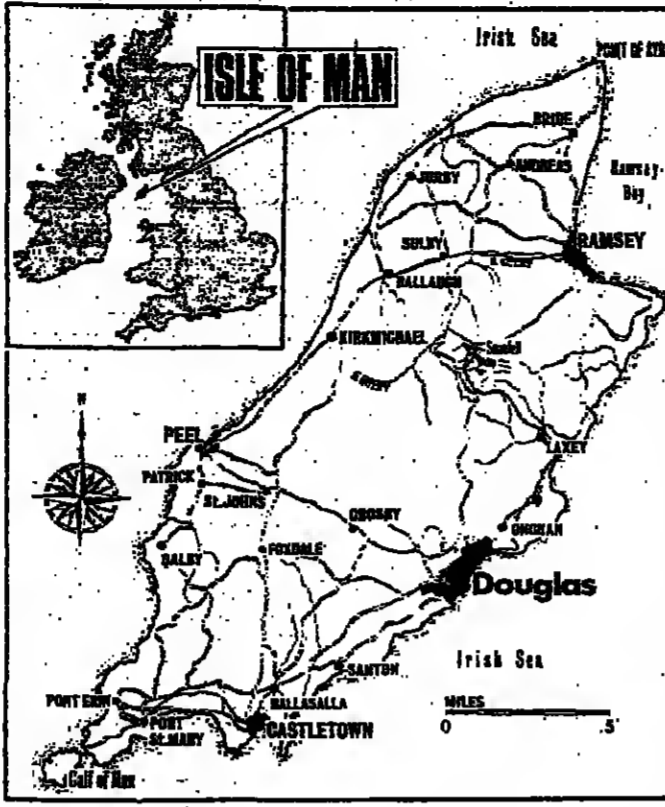
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TOURISM

IN A RECENT issue of Manx Life a local journalist suggests that public money should not be used to support such Victorian relics as the Isle of Man (Steam) Railway, the Manx Electric Railway and the Gaiety Theatre. Only steam freaks, he maintains, want to see a 19th-century steam railway, and the Gaiety, a "grotesque Victorian lady, requires plastic surgery at a price which is too high for us taxpayers to bear alone."

Maybe so, but many visitors would disagree, since these facets of an earlier and more leisurely way of life are an attractive complement to the island's great physical charm. Roughly half a million visitors arrive in the island each summer season. Of last year's total just over a quarter came for the day only, largely on sea excursion trips. What the holidaymaker finds when he gets there is an incredible variety of scenery in the island's 227 square miles, from peaceful glees to rocky coast and wooded hillsides to sandy beaches. He will find picturesque fishing villages and fascinating relics of the island's Viking conquerors: adequate roads and inadequate signposting; good facilities for water sports, golf, walking, pony trekking, fishing, etc., and a reasonable variety of night life in Douglas, including the British Isles' only public casino.

Lower

What the visitor will also find is hotel prices that are considerably lower than those in competing resorts on the mainland; they have to be overcome the cost of travel to the island. It is the rising cost of getting there and back that is partially responsible for the slight fall-off in tourist numbers last season.

D.N.

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Burness, Corlett and Partners (B.C.P.) moved its office from Hampshire to Ramsey. B.C.P. was established in 1952 and undertakes the design of all aspects of marine and associated work. Dr. Corlett is the naval architect for the S.S. "Great Britain" and was responsible for its salvaging and organising its safe return to the U.K. Some of its other clients include British India Steam Navigation, Ministry of Defence (Navy), Kuwait Oil Company, British Transport Commission and the U.S. Maritime Administration.

Although there is a shortage of skilled workers, with almost 1,000 people unemployed on the island at the moment, there is potentially no shortage of labour from which to find and train skilled and semi-skilled operatives. The Manx workforce has a long record of good labour relations as well as being recognised for its consistently high standard of workmanship. Unfortunately, there is evidence to suggest that some of those who are unemployed are not keen to return to work because they are comparatively well off on the dole. For the time being the criteria for companies wanting to open on the island are not very strict. With a high added value product and a capital-intensive plant a Manx Government grant is almost guaranteed. However, as the Manx industrial sector grows no doubt the criteria will tighten so that the overall economy can cope with the increased demand on its services, not least of these being the pressure on social and community services which, inevitably, must occur if there is any major increase in the manufacturing industry.

D.N.

PROPERTY

WHEN WRITING about the property market, the Press in the Isle of Man tends to bemoan the lot of the young married couple who want to buy a house but cannot afford it. Indeed, one of the biggest problems that a tax haven has to face when building up its operations is that its property market may become saturated. Demand for office space forces up rents, which in turn makes things difficult for existing businesses and shops. Incoming staff as well as immigrants attracted by the low tax levels put pressure on the housing market, forcing prices to astronomical levels. If the population looks to be expanding too fast, controls on building can be used to regulate the increase; and this in turn can force prices even higher.

This is the sort of thing that has already happened in the Channel Islands, where property is hard to come by and very expensive. But so far this situation has not spread to the Isle of Man; demand has not yet pushed prices through the roof, nor has there been any need to reduce the number of people moving into the island. Prices over the past year or two, as in the U.K., have been fairly static. There is enough office space available for present needs and residential building has been ticking over steadily at a rate of about 500-550 houses a year, around three-quarters of which are the work of private builders. There is no shortage of residential sites, and the island's present density (60,000 people in 227 square miles) is not excessive. Only 8 per cent of the land is developed and the island's planners reckon that the population could expand to 75,000 before there is any serious overcrowding problem.

The young married couple, therefore, should not yet be too hard pressed to find a suitable house. Prices start at around £7,000-£8,000, and there is a fair selection at between £10,000 and £12,000. There are no building societies on the island. Mortgages are obtained through the Government and cost only seven to nine per cent; rates, too, are very low by U.K. standards.

At the upper end of the price scale there appears to be no shortage of properties available, though fewer highly priced houses are now being built. You can buy a large house with a good deal of Lebensraum for £40,000 upwards, and there are a number of houses available at well over £100,000. Local estate agents report that the number of outside enquiries is well up, particularly from such places as

Jamaica (for reasons of political stability), Rhodesia (from those who do not fancy life under a future Black government), and Gurnsey (from those who cannot afford to live there any longer).

The construction industry in the island therefore, has not suffered as badly as that in the U.K., especially since there are a number of public works projects in the pipeline, as well as the rebuilding of the Summerland complex at an estimated cost of £2m. The island has been more successful than the U.K. in smoothing out the peaks and troughs that are liable to affect the industry.

Fortunately, too, Manxmen have come to realise that their island is a veritable treasure-house of distinguished architecture. So far the depredations of redevelopment have not yet done as much damage as in many areas of the U.K. But up to now the island has lacked any listing system protecting buildings of architectural distinction; this is now being remedied and the first list is in course of preparation. Several imaginative conversions of the warehouse-into-flats types, have also shown what can be done without first destroying and then building anew.

C.I.

WALL STREET + OVERSEAS MARKETS

Gold firmer

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Jan. 26

STOCK PRICES climbed moderately at lunchtime with certain issues buoyed by corporate news. The economic news also had a constructive look, including higher mid-January sales of new automobiles...

Metals index jumped 11.1 to 1137.6. JOHANNESBURG—Gold shares were easier despite higher European bullion indications in a market that continued to be dominated by political factors...

light trading, partly initiated by bond market weakness although leaders moved less than DM111 earlier way. Among Electricals Siemens fell DM2.50 but VW rose by DM1.50 to DM12.50...

Gold gained \$14 to \$324.1941 at 10:58 AM. It was up 20¢ from 10:55 AM. The price rose to \$324.1941 at 10:58 AM...

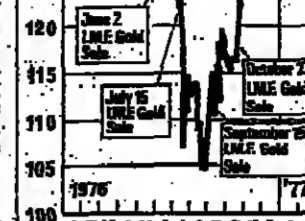


Table with columns for Market Rates, Jan 25, and Jan 26. It lists various international exchange rates for major currencies like the Dollar, Pound, and Yen.

MONDAYS ACTIVE STOCKS. Stocks Closing on 1/25/77. Yields on 1/25/77. Increase in the investment tax credit for American business to 12 per cent from 10 per cent...

OTHER MARKETS. Canada higher. Stocks prices jumped ahead on the Canadian exchanges over a broad front, with Oils and Metals heading the gains. However volume was only moderate...

AMSTERDAM—Prices closed broadly lower. Although international demand from a strong rise in the U.S. dollar, also was up on the day. Philips gained 10 cents to Fr. 1.90...

Table with columns for Rights Rates, Jan 25, and Jan 26. It lists various international exchange rates for major currencies like the Dollar, Pound, and Yen.

Table with columns for Indices, Jan 25, Jan 26, and Jan 27. It lists various stock indices and their performance over the period.

Table with columns for Y.Y.S.E. ALL COMMOD. and Jan 25, Jan 26, and Jan 27. It lists various commodity prices and their performance.

EURO-CURRENCY INTEREST RATES. U.S. \$ LIBOR 3 months 5.25 per cent. U.S. \$ LIBOR 6 months 5.50 per cent. U.S. \$ LIBOR 12 months 5.75 per cent...

Table with columns for Exchange Cross-Rates, Jan 25, and Jan 26. It lists various international exchange rates for major currencies like the Dollar, Pound, and Yen.

Table with columns for Standards and Poors, Jan 25, Jan 26, and Jan 27. It lists various stock indices and their performance.

Table with columns for Y.Y.S.E. ALL COMMOD. and Jan 25, Jan 26, and Jan 27. It lists various commodity prices and their performance.

Table with columns for Exchange Cross-Rates, Jan 25, and Jan 26. It lists various international exchange rates for major currencies like the Dollar, Pound, and Yen.

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OVERSEAS SHARE INFORMATION

Table with columns for Stock, Jan 25, and Jan 26. It lists various international stock prices and their performance.

Table with columns for Stock, Jan 25, and Jan 26. It lists various international stock prices and their performance.

Table with columns for Stock, Jan 25, and Jan 26. It lists various international stock prices and their performance.

Table with columns for Stock, Jan 25, and Jan 26. It lists various international stock prices and their performance.

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FARMING AND RAW MATERIALS

Base metal markets decline

By Our Commodities Staff
THERE WAS a brisk shakeout in the London metal markets yesterday following the recent steady advance.

Britain going ahead with pig subsidy payments

BY PETER BULLEN
BRITAIN IS going ahead with the payment of its emergency subsidy of about £2.50 a pig to its pig farmers.



Mr. John Silkin (left) welcoming Mr. Ptm-Olav Gundelach in Whitehall yesterday.

He said it was intolerable that the continuation of the EEC's agricultural policy was seriously threatened by a "cross infringement" of the rules.

Cocoa 'rescue' begins

By Richard Mooney
JACQUES BORIE, the Ivory Coast cocoa shippers, has made deliveries contracted for January delivery in line with the "rescue" agreement reached in Paris with its customers last month.

CITRUS FRUIT Slow start to U.K. marketing season

By BERNARD SIMON
THIS MONTH saw the arrival at Ordis, the London delegate of the Spanish Fruit Syndicate of the Spanish Fruit Syndicate.

fruit in their off-peak season. The duty is 17 per cent on Out-Season and Sunkist oranges from October to March, but only about 4 per cent from April onwards.

Farmers in aggressive mood

BY JOHN CHERINGTON, AGRICULTURE CORRESPONDENT
THE DEBATE on the future of Britain's marketing boards brought the rather mundane National Farmers' Union annual meeting in London to life yesterday.

firm in their rejection of any suggestion that the boards should be tampered with. Calls to fight Brussels, to confront the EEC Commission with all the strength of the union, and to remark that if we could not have the board there was no point in the Common Agricultural Policy were all warmly applauded.

Iron ore price rise needed in Australia

CANBERRA, Jan. 25. PRICE RISES to offset cost increases would be needed for any further significant expansion of Australian iron ore production, the Bureau of Mineral Resources said.

U.S. wool imports up sharply

WASHINGTON, Jan. 25. U.S. IMPORTS of raw wool more than doubled last year while exports were down, the U.S. Agriculture Department said.

Heavy rains

The season started with the usual shipments of Spanish fruit in mid-October. Since then imports from Spain have been only 900 tons higher than in the same period last winter.

Florida crops hit by severe frost

WASHINGTON, Jan. 25. Florida produces more oranges than Israel and Spain combined and growers have been worried for some time about the effect of constant over-production on prices.

COMMODITY MARKET REPORTS AND PRICES

Table with columns for Base Metals, Lumber, and other commodity prices. Includes items like Copper, Zinc, and various grades of metal.

PRICE CHANGES

Table showing price changes for various commodities. Columns include item name, price per unit, and change.

U.S. Markets

Table showing U.S. market prices for various commodities. Includes items like Coffee, Grains, and other agricultural products.

Coffee weak but copper, grains rise

COPPER closes a little higher after being strong most of the day when local supply was tight. Coffee prices are weak.

Metal Trading advertisement. The first Quarterly Review of LME Non-Ferrous Metals by Commodity Analysis is now available. You should read it.

COMMODITY ANALYSIS LIMITED advertisement. Commodity and Metal Brokers. 194-200 Bishopsgate, London EC2M 4PE.

SOYABEAN MEAL advertisement. The market opened 21 up in reflection of overnight Chicago. There were 120 contracts reported in the spot market.

FINANCIAL TIMES advertisement. A member of the expanding Fort Group of Companies, offers Channel Islands based facilities for investments in commodities.

PORT COMMODITIES LIMITED advertisement. A member of the expanding Fort Group of Companies, offers Channel Islands based facilities for investments in commodities.

COCOA advertisement. Values fluctuated sharply over a wide range, closing firmly higher on commission house interest, reports GUL and Dufras.

MEAT/VEGETABLES advertisement. SPITFIELD in an open a pound, 100 lb. medium (medium) 10.00. Live hindquarters 9.0 to 9.5.

Buffer fund talks restart advertisement. AMIN KHERRA, chairman of a meeting preparing for a negotiating conference on a 50m common fund to finance reserve buffer stocks of commodities.

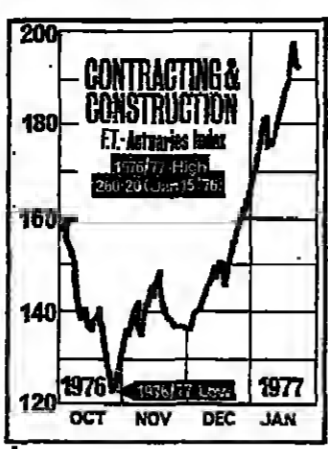
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STOCK EXCHANGE REPORT

Gilt-edged higher again in money market indications Equities fade with index 0.1 off at 377.7 after 380.2

Account Dealing Dates
Options
*First Declared Last Account
Dealings 1000 Dealings Day
Jan. 17 Jan. 27 Feb. 8
Jan. 21 Feb. 11 Feb. 22
Feb. 14 Feb. 24 Feb. 25 Mar. 8

vided further impetus for British
Funds. Unaffected by a gap
stock, the shorts and medium
made good advances which
ranged to 2 in the latter and 3
in the former, while the long
managed improvements of 1
despite the presence of a
issue; the Government broker
withdrew from selling supplies of
this stock, Treasury 1 1/2 per cent.,
1953, at 99 1/2, and it was assumed
he would resume operations at
96 1/2. Activity among the shorter
maturities was consistently good,
while the longer stocks became
more interesting in the latter
trading. The strong underdone
of the market suggested that
buyers were now anticipating a
fall of 1, and perhaps 1/2, in Mini-
mum Lending Rate this week.



computer equipment manu-
facturers. Electrolux, which
which 265p, after 261 1/2, lost 8
of the previous day's gain of 16.
Fears of a multi-million pound
claim against its subsidiary C. A.
Person from the Central
Electricity Generating Board over
the failure of two of the three
660 MW turbo-generators at the
Drax power station in Yorkshire
sparked off selling in Reprolux
shares which fell to close 6
6 lower at 130p. Among the
Electrical leaders, GEC resisted
the easier trend, favourable Press
mention prompting an improve-
ment of 3 to 178p.
The measure of irregularity in
Engineering was shown by a
loss of 4 in GKN, at 280p, and
a rise of 3 in John Brown, at 104p.
Elsewhere in the section, Ounford
and Billet featured with a gain
of 2 to 87p, after 85p, following
talk that rival suitors were in
the wings including both GKN and
Lorho; Johnson and Firth
Brown, the current bidders, im-
proved 1 to 92p, after 91p, fol-
lowing Press comment on the
benefits of appointment with the
Barrister up to 2 1/2 p and A.C.E.
Machinery a further 4 higher to
84p, while Weeks Associates
hardened to 16p after the pro-
posed rights issue and sharply
higher profits estimate. Spirax
Sarco gained 5 to 147p, but WGI
fell 5 to 80p and ML Holdings B
to 50p, the latter named in the
appointment of a new director in
Shipbuilding, Hawthorn Leslie
lost 3 to 35p; the adjoined
annual general meeting is to be
held on March 8.
Carra's Milling featured Foods
with a jump of 8 to a 1976-77
peak of 42p on news of a possible
bid of 2 1/2 p from a rival firm,
Cumberland Farmers. Bernard
Matthews hardened 3 to 98p,
while revived bid speculation left
A. J. Mills 2 better at 60p and
4 to 4 to the end of 77p.
Other leaders included Associated
Fisheries, 2 better at 42p, and
Highgate and Job, 4 up at 45p.
Amey the leaders, Tate and Lyle
passed to 23p before closing
at 22p, while the close of the
Associated Dairies lost 5 to 212p.

182p, while the dividend and
its forecast used by the board
in its rejection of the Hanson
Trust bid approach helped White-
croft put on B to 138p, after 140p.
White Child and Benay improved
1 1/2 more to 86p, for a two-day
jump of 15, on further considera-
tion of the bid from Arthur
Guinness, and renewed demand
in a thin market lifted Robert
McBride 5 to 176p. Clement
Clarke added 4 at 48p, but lower
interest rates and a 1 1/2 p drop
in the bid for 15p, after 140p,
helped to close at 47p. The
profits left Capital and County
Laundries 2 off at 37 1/2p. The
leaders were dull at first but
rallied later on the base rate
announcement to close narrowly
mixed. Underdone 5 down at
42 1/2p, but Bechem was im-
proved 1 1/2 to 38p, after extremes of
39p and 38 1/2p.
Motors and Distributors closed
little changed following a quiet
session. Barchin edged up 2 to
75p as the first-half profits
increase, but trading news failed
to enthuse Abbey Panels, 39p,
and Rolls-Royce, 61p, which both
closed without alteration. CGS
hardened a penny to 15p in front
of to-day's preliminary results,
while gains of 3 were seen in
Bluemel Bros., 37p, and Glanfield
Lawrence, 23p. Lex Service was
marked sharply higher and closed
before rallying to close margin-
ally better on the day at 40p on
the cheaper lending rates.
Despite the previous day's hid-
den, the preliminary dividend
and its speculative supporters yester-
day and the shares rose 4 to 94p.
In Newspapers, Thomson, shed 3
more to 265p on light profit-taking.

Returning hopes of another fall
in interest rates soon gave con-
fidence to Properties, many of
which traded briskly again. A
report that a bid was in the offing
drove speculative support to
Germania, which rose 1 1/2 to 181p,
while rumours linking Eagle Star
Insurance and Bernard Staley
increased and pushed the latter
8 higher to 128p, after 136p.
Samuel were another active share
following talk that the company's
mooted German trader had been
resolved and the close was 3 1/2
dearer at 45p. Land Securities
moved between 158p and 163p
before settling a net penny better
at 162p, while H&B picked up 2
to 66p. Others worthy of men-
tion included Rux and Tompkins,
4 firmer at 39p, and Berkeley
Hambro, which rallied 3 to 73p.
Reflecting concern over the
current impasse in the Rhodesian
settlement talks, Lonrho declined
1 1/2 to 74p, the preliminary dividend
announcement is expected to-day.
Incheape concentrated with a rise
of 5 to a 1976-77 peak of 470p in
front of to-morrow's interim
report.
Standard Trust rose 10 to 125p
on the bid approach from British
Rail's Pension Fund; the com-
pany's Debenture issues were all
marked sharply higher and closed
before rallying to close margin-
ally better on the day at 40p on
the cheaper lending rates.
Despite the previous day's hid-
den, the preliminary dividend
and its speculative supporters yester-
day and the shares rose 4 to 94p.
In Newspapers, Thomson, shed 3
more to 265p on light profit-taking.

FINANCIAL TIMES STOCK INDICES
Table with columns for various indices: Govt. Securities, Industrial Ordinary, Gold Mines, etc. Values are listed for different dates and a year-to-date change.

HIGHS AND LOWS S.E. ACTIVITY
Table with columns for High, Low, and S.E. Activity. It lists various stock prices and their corresponding high and low values for the day.

vived interest took Gold Fields
Properties up 5 to 85p.
Golden Hope continued firmly in
Plantations, improving another
2 to 86p in quieter trading. Castle-
field gained a like amount at 93p,
but currency influences lewered
Highlands 1 1/2 to 37p.
Interest in Teas was of a selec-
tive nature. J&J moved up 4 to
122p, but Empire Plantations, a
firm market of late on bid hopes,
gave up 1 1/2 to 6p for a two-day loss
of 2.
Poor day for Mines
South African issues were
notably weak - in generally
depressed mining shares - with
the Rhodesian situation in
Rhodesia simplified nervous
selling of Golds from Cape, U.S.
and local sources and the Gold
Mines index fell 4.0 more to 101.2,
a loss of 11.5 over the previous
trading days. The bullion price,
however, rose \$1.50 to \$134.25 per
ounce in front of to-day's
International Monetary Fund
action.
Share prices were also
depressed by the further fall in
the investment currency premium
and losses in the heavyweight
issues ranged to 1 1/2 as Rand-
foleins, £15 and West, Driston-

Banks dip and rally

Early losses ranging to 10 were
soon recovered by the big four
Banks during the course of the
much busier trading that followed
news of the 1 per cent. reduction
in base lending rates to 13 per
cent. Barclays, after touching
238p, finally closed a penny dearer
on balance at 288p, while National
Westminster gained 3 to 230p,
after 217p. Lloyds hardened a
penny to 218p, after 209p, but
Midland ended with a loss of 2 at
278p, after 270p. Overseas issues
tended to be mixed, with the
Standard Chartered 5 off at 320p.
Insurances edged forward
quietly in places. Sun Alliance
added 3 to 413p as did Bimnet to

Wilkinson Match up

Secondary issues provided the
main meat of the day in the
market yesterday. Speculative
buying in a thin market helped
Wilkinson Match stand out with
a rise of 10 to a 1976-77 peak of

Reyrolle claim fears

Opposition by the U.S. group,
Applied Digital Data Systems, to
aid for Milge Electronics, the U.S.

U.S. interest in Oils

Revived American inquiries not
only for British Petroleum but
also for Burmah and
Ultra-mar gave Oils a slight fillip
in the later trading and, following
the clearance of the loan guaran-
tee, Burmah improved 2 to 88p. Ultra-
mar gained 4 to 140p. Shell were
not overlooked and rallied from
173p to close a net 2 higher at 175p.
The continuing fall in
the investment dollar premium
lowered Royal Dutch 1/2 more to
240p. Tricentrol's completion of
the main contract in the
in two North Sea blocks inspired
little enthusiasm but the price rose
2 to 108p. Elsewhere, Sibbens put
on 6 to 136p.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Table of Actuarial Share Indices. Columns include Group Name, Tuesday, Jan 25, 1977, and various other dates. Rows include EQUITY GROUPS (Capital Goods, Building Materials, etc.) and FIXED INTEREST (Consols, Govt. Stocks, etc.).

ACTIVE STOCKS

Table of Active Stocks. Columns include Stock Name, Denomina- tion, Closing, Change, etc. Lists various stocks like ICI, BP, B&S, etc.

Option Report - 3-month Call rates

Table of Option Report - 3-month Call rates. Columns include Date, Last, Deal, etc. Lists various option deals and rates.

Option Report - 3-month Call rates

Table of Option Report - 3-month Call rates. Columns include Individual, b.m., etc. Lists various option deals and rates.

MONEY MARKET

Interest rates decline

Bank of England Minimum
Leading Rate 12 1/2 per cent.
(since January 31, 1977)
Short-term fixed period interest
rates maintained a downward
trend in the London money
market yesterday in the absence
of any signal from the author-
ities that they were unhappy with
the present decline. Discount
money market lending rate to ten or
11 month Treasury bills were quoted
at around 12 1/2 per cent., suggest-
ing a cut of at least 1 per cent. was
outweighed by a modest net

Lady Kemsley's £142,000 will

VISCOUNTESS KEMSLEY, who died
in September, left £160,000 of
gross (£142,000 net) in the will.
Newspaper until his sale to Lon-
don in 1950, and widow of the
first Viscount Kemsley, former
chairman of Kemsley News-
papers.

BASE LENDING RATES

Table of Base Lending Rates. Lists various banks and their lending rates, such as A.B.N. Bank, Allied Irish Bank, etc.

RISES AND FALLS

Table of Rises and Falls. Lists various stocks and their price changes, such as British Funds, etc.

CORAL INDEX

Close 375.80

INSURANCE BASE RATES

Table of Insurance Base Rates. Lists various insurance companies and their rates, such as Property Growth, Cannon Insurance, etc.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs. Ltd., Allied Hambro Group, British Life Office, and others, with columns for fund names, managers, and performance metrics.

REGIONAL MARKETS

Table showing regional market data for various areas including London, Dublin, and other regional centers.

CLYDESDALE BANK

CLYDESDALE BANK LIMITED announces that, with effect from 26th January, 1977, its Base Rate for lending is being decreased from 14% to 13% per annum.

APOLLO

The world's leading magazine of Arts and Antiques. Published Monthly price £1.50 Annual Subscription £18.00 (inland).

COMPANY NOTICES

WEST RAND CONSOLIDATED MINES LIMITED. SOUTH AFRICAN HOLDINGS LIMITED. DECLARATION OF DIVIDEND No. 3.

CARAVANS IN FRANCE

Leisure Group has funds available for participation to or purchase of static holiday caravan sites to Freoch coastal resort. Write Box EC2955.

INSURANCE, PROPERTY, BONDS

Table listing insurance, property, and bond companies such as Abbey Life Assurance Co. Ltd., City of Westminster Assur. Soc., and others.

OFFSHORE AND OVERSEAS FUNDS

Table listing offshore and overseas funds such as Artbroth Securities (C.I.) Limited, Charterhouse Japhet, and others.

NOTES. Prices do not include a premium, except where indicated. Yield is shown in % per annum.



Stewart Wrightson International Insurance Brokers

1 Canonic Street London EC2A 3TJ Telephone 01-625 7511 Telex 881181

FT SHARE INFORMATION SERVICE

HOTELS - Continued

CANADIANS

Table listing Canadian stocks with columns for Stock, Price, Div, and Yld.

BUILDING INDUSTRY - Continued

Table listing Building Industry stocks with columns for Stock, Price, Div, and Yld.

DRAPERY AND STORES - Continued

Table listing Drapery and Stores stocks with columns for Stock, Price, Div, and Yld.

ENGINEERING - Continued

Table listing Engineering stocks with columns for Stock, Price, Div, and Yld.

BRITISH FUNDS

Table listing British Funds with columns for Stock, Price, Div, and Yld.

BANKS AND HIRE PURCHASE

Table listing Banks and Hire Purchase stocks with columns for Stock, Price, Div, and Yld.

ELECTRICAL AND RADIO

Table listing Electrical and Radio stocks with columns for Stock, Price, Div, and Yld.

CHEMICALS, PLASTICS

Table listing Chemicals and Plastics stocks with columns for Stock, Price, Div, and Yld.

ENGINEERING, MACHINE TOOLS

Table listing Engineering and Machine Tools stocks with columns for Stock, Price, Div, and Yld.

Five to Fifteen Years

Table listing funds with a 5-15 year maturity.

Over Fifteen Years

Table listing funds with a maturity over 15 years.

UNDATED

Table listing undated funds.

INTERNATIONAL BANK

Table listing International Bank stocks.

CINEMAS, THEATRES AND TV

Table listing Cinemas, Theatres, and TV stocks.

DRAPERY AND STORES

Table listing Drapery and Stores stocks.

FOOD, GROCERIES, ETC.

Table listing Food, Groceries, etc. stocks.

CORPORATION BONDS

Table listing Corporation Bonds.

BEERS, WINES AND SPIRITS

Table listing Beers, Wines, and Spirits stocks.

AMERICANS

Table listing American stocks.

CONSUMER HEALTH & AFRICAN BONDS

Table listing Consumer Health and African Bonds.

HOTELS AND CATERING

Table listing Hotels and Catering stocks.

FOREIGN BONDS & RAIS

Table listing Foreign Bonds and Rais.

BUILDING INDUSTRY, TIMBER AND ROADS

Table listing Building Industry, Timber, and Roads stocks.

AMERICANS

Table listing American stocks.

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Table listing American stocks.

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Table listing Hotels and Catering stocks.

Conversion factor 6.2566 (0.7246)

Large vertical table on the right side of the page containing various stock listings and financial data.

CEGB offers regular orders from 1979

BY DAVID FISHLICK, SCIENCE EDITOR

THE CENTRAL Electricity Generating Board has reacted strongly to pressure from the plant manufacturing industry to place an order quickly for further coal-fired plant at Drax in Yorkshire. The Board released details of counter-proposals it has put to Government, undertaking to order new plant at a steady rate of two to three 660 MW sets annually for five years from the autumn of 1979 onwards.

But it is not a great risk, said Sir Arthur, and it is a risk which is shared by the rest of the industry. The second condition of the Board's counter-proposals is that the ordering would commence only after a national decision had been taken on the future U.K. nuclear programme. This condition already has the support of the Cabinet's "Think Tank" (Central Policy Review Staff).

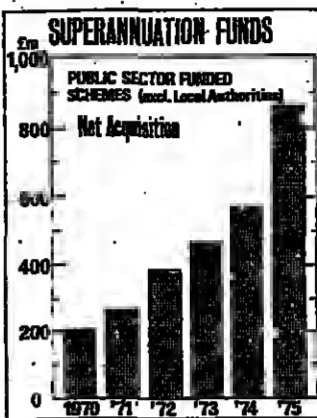
Zambia urges blacks to revolution inside Rhodesia

BY OUR FOREIGN STAFF

AMID A mood of growing black African belligerency, Zambia yesterday urged Rhodesian nationalists to step up the war against Rhodesia following the breakdown of efforts to reach a peaceful settlement while militant nationalists raised the possibility of Cuban involvement in the conflict.

THE LEX COLUMN Test case for the trust sector

Index fell 0.1 to 377.7



The recent controversy about the huge discounts on asset values in the investment trust sector has so far been a case of much talk but little action. The proposed offer by the British Rail pension funds for Standard Trust could be something of a test case for the rationalisation of the sector, for other institutions could follow if it proves possible to acquire such a large portfolio—the offer could be worth around £30m—at a close to market value.

Public sector pension funds have had extremely buoyant revenues in recent years—the British Rail funds, for instance, have an annual inflow of some £150m against existing assets of only about £450m, or so. And the BR funds have a particular reason for wishing to invest heavily at this juncture, for there are large annual receipts from British Rail in January.

Mr. Croal told the Commons of his "deep sense of disappointment" at the rejection of Britain's plans by Mr. Smith who, said the Foreign Secretary, "has once more shown his inability to face reality."

Mr. Ivor Richard, chairman of the failed Geneva conference, is to stay in Africa for a few days to discuss developments. However, a statement issued by Mr. John Vorster, the South African Premier, was seen in Cape Town as an open rebuke to the British envoy for hampering Mr. Smith as the sole cause of the breakdown in negotiations.

Weather

U.K. TODAY MAINLY showery with bright intervals. London, S.E. England, E. Anglia Rain becoming brighter. Max. 10 (50F).

Table with columns: City, Day, Mid-day, Night. Lists weather forecasts for various cities like Aberdeen, Belfast, Birmingham, etc.

Table with columns: City, Day, Mid-day, Night. Lists holiday resorts and their weather forecasts.

the current year forecast, the offered price seems low. However, Dunford's high financial gearing will not be unwound by just one year's good trading. The group says it is confident that the traditional three good years of the alloy steel cycle have now commenced, in which case every-thing would be fine. But shareholders may reasonably feel reluctant to take this kind of risk with a group of Dunford's importance, and the case for accepting the bid is that its future will be more secure as part of a stronger financial grouping.

Interest rates Only last week, the Chancellor was reiterating his belief that the fall in interest rates would be slow at first, gathering pace later on. But events seem to be moving faster than anticipated and the authorities, while still calling for "moderation," now appear to be sitting on the sidelines.

Dunford & Elliott Rumours of a counter offer pushed Dunford and Elliott 6p higher to 63p yesterday, which is an eighth more than Johnson and Firth Brown is offering. But any third party would certainly be leaving it very late: JFB's bid closes on Monday, and cannot be extended beyond the following Friday under the rules of the Takeover Code.

Both sides are now actively selling their case to the institutions and as things stand it looks like being a very close run thing. Just over 11 per cent of shareholders accepted J and F's first offer, and the group claims to have picked up around 15 per cent of the votes through the market. A straw poll yesterday suggested that a number of big shareholders are leaning in favour of the offer but the margin is narrow enough to suggest that a different sample could have produced another impression.

The current offer is not compelling on grounds of commercial logic—indeed this has been a secondary issue throughout the contest. Nor are the terms necessarily a knock-out. Shareholders would have accepted much less a few months ago when the price was down to 13p, but in relation to the next few months.

Court order ends occupation of Massey Ferguson tractor plant

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

STRIKERS at Massey Ferguson yesterday ended their occupation of the company's Coventry tractor plant following a High Court order granting the company repossession. Fears that the 1,150 workers, on strike for a month, would risk a confrontation with the police proved groundless.

to prevent another occupation, the company was yesterday photographing all employees supposed to be at work. They are to be issued with identity cards, and admission will be refused to the strikers. The company rejected a claim by Mr. Tyrell that the extra could be construed as a lock-out.

Open rebuke

Mr. Croal told the Commons of his "deep sense of disappointment" at the rejection of Britain's plans by Mr. Smith who, said the Foreign Secretary, "has once more shown his inability to face reality."

Foot opposes poll on independence

BY RUPERT CORNWELL, LOBBY STAFF

THE GOVERNMENT is strongly opposed to asking Scottish and Welsh voters a separate question on whether they want independence from the U.K. in the forthcoming referendum on devolution.

Scots Assembly 'monster,' says council leader

The proposed Scottish Assembly was described yesterday as a "monster" and "a political irrelevance" by Sir George Sharp, chairman of the Scottish Convention of Local Authorities. In his regional council in Fife where he is the convenor of Labour-controlled council, he spoke of difficulties facing local authorities in keeping to their budgets.

Cheaper borrowing

by the absence of any signals from the Bank indicating its intentions on interest rates, suggesting that at present the authorities were prepared to let the market take its course—although it was pointed out that they could intervene to make their feelings known later in the week.

Case to buy 40% Poclair stake

BY DAVID CURRY

THE U.S. GROUP, J. I. Case, a subsidiary of Tenneco, is to buy 40 per cent of the French company Poclair, the world's leading manufacturer of hydraulic excavators. The French Government's attempt to find a French solution to Poclair's problems has been unsuccessful.

petition in export markets from American-owned European concerns, and Japanese groups. The decline in value of the dollar also undercut its North American position, while partly offsetting the general strengthening to Poclair's disadvantage.

Worker directors poll

worker and shareholder directors and a third group of co-opted members. An Industrial Democracy Commission would supervise implementation of this system.

WORKER DIRECTORS QUESTIONNAIRE. Table with columns: Responses %, Trade Union Members, Non-trade Union Members. Rows include questions about worker directors and their views on the system.

CONSIDER THE COST TO YOUR BUSINESS IF ANY OF YOUR KEY EXECUTIVES LOST THEIR LICENCE— THEN CONSIDER OUR SOLUTION.

If a director, partner or key employee was disqualified from driving tomorrow, what would it cost your business in the next year? It could affect the turnover and profitability, and you may well have to recruit replacement or additional staff, and train them for the job—all at the company's expense.

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